

TOWNSHIP OF EAST GREENWICH

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2016**

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COUNTY OF GLOUCESTER, NEW JERSEY
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COUNTY OF GLOUCESTER, NEW JERSEY
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**TOWNSHIP OF EAST GREENWICH
COUNTY OF GLOUCESTER**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2016**

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordenloam, NJ 08505 • Tel: 609.298.8639
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of East Greenwich
County of Gloucester
Mickleton, New Jersey 08056

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of East Greenwich, County of Gloucester, State of New Jersey as of December 31, 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

As discussed in Note 1 to the financial statements, the Township of East Greenwich prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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 these 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 Township of East Greenwich, County of Gloucester, State of New Jersey, as of December 31, 2016, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of East Greenwich, County of Gloucester, State of New Jersey, as of December 31, 2016, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2016 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.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds 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 is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2017, on our consideration of the Township of East Greenwich's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of East Greenwich's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Michael Holt", written in a cursive style.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA #473

August 18, 2017
Medford, New Jersey

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
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795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

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

Honorable Mayor and Members
of the Township Committee
Township of East Greenwich
County of Gloucester
Mickleton, New Jersey 08056

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of East Greenwich (herein referred to as “the Municipality”), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated . Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality’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 Municipality’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality’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 Municipality’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Comments & Recommendations to be a material weakness as Findings No. 2016-003, 2016-004, 2016-006 and 2016-010.

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. We consider the deficiencies described in the accompanying Comments & Recommendations to be significant deficiencies as Finding No.'s 2016-001, 2016-008 and 2016-009.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality'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 five instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No.'s 2016-002, 2016-003, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010 and 2016-011.

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 Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA #473

August 18, 2017
Medford, New Jersey

FINANCIAL STATEMENTS

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**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	2016	2015
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 1,489,728.92	\$ 2,112,151.95
Change Fund	A-5	400.00	400.00
Total		<u>1,490,128.92</u>	<u>2,112,551.95</u>
Receivables & Other Assets Without Full Reserves:			
Due from State of NJ - Senior Citizens' and Veterans Deductions	A-8	9,500.00	9,000.00
Total Receivables & Other Assets Without Full Reserves		<u>9,500.00</u>	<u>9,000.00</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-6	403,619.66	434,845.36
Tax Title Liens Receivable	A-7	47,909.02	18,585.58
Revenue Accounts Receivable	A-9	34,521.82	17,182.36
Prepaid Local School Taxes	A-19	4.00	-
Due From Other Trust Fund	B	300,000.00	-
Due from Animal Control	B	5,281.22	-
Due from General Capital Fund	C	402,868.48	-
Due From Water/Sewer Utility Operating Fund	D	154,794.73	-
Total Receivables & Other Assets With Full Reserves		<u>1,348,998.93</u>	<u>470,613.30</u>
Deferred Charges:			
Special Emergency - Authorization (N.J.S. 40A:4-55)	A-12	-	16,000.00
Emergency Appropriation - Storm Damage	A-13	-	344,364.38
		<u>-</u>	<u>360,364.38</u>
Total Regular Funds		<u>2,848,627.85</u>	<u>2,952,529.63</u>
Federal & State Grants:			
Due From Current Fund	A-27	91,553.56	43,313.39
Federal and State Grants Receivable	A-28	112,975.77	96,598.70
Total State & Federal Grants		<u>204,529.33</u>	<u>139,912.09</u>
Total Assets		<u>\$ 3,053,157.18</u>	<u>\$ 3,092,441.72</u>

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

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	<u>2016</u>	<u>2015</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 296,988.44	\$ 341,985.51
Reserve for Encumbrances	A-10	232,583.36	106,126.35
Accounts Payable	A-11	2,168.45	2,168.45
Prepaid Taxes	A-17	263,319.08	161,384.86
Tax Overpayments	A-18	98,947.54	107,120.40
Due Regional High School Taxes Payable	A-20	0.76	1.28
Due County for Added and Omitted Taxes	A-22	104,548.43	75,295.98
Due State of New Jersey - DCA Fees	A-23	8,821.00	6,249.00
Reserve for Special Emergency - Revaluation	A-25	-	8,012.00
Reserve for FEMA - Storm Reimbursement	A-4	-	162,517.30
Reserve for Unidentified Receipts	A-4	-	71,143.72
Reserve for Deposits Guaranteeing Contracts	A	2,780.00	2,780.00
Reserve for Veterans Memorial	A	11.00	11.00
Due to Federal and State Grant Fund	A	91,553.56	43,313.39
Due to Municipal Open Space Trust Fund	B	96,094.48	55,656.82
Due to General Capital Fund	C	-	1,641.33
Due to Water/Sewer Utility Operating Fund	D	-	250,731.86
		<u>1,197,816.10</u>	<u>1,396,139.25</u>
Subtotal Regular Fund			
Reserve for Receivables & Other Assets	A	1,348,998.93	470,613.30
Fund Balance	A-1	<u>301,812.82</u>	<u>1,085,777.08</u>
		<u>2,848,627.85</u>	<u>2,952,529.63</u>
Total Regular Fund			
State & Federal Grants:			
Reserve for Federal & State Grants:			
Appropriated Reserves	A-29	166,823.39	115,023.69
Unappropriated Reserves	A-30	2,500.00	6,884.00
Encumbrances	A-31	26,270.54	9,069.00
Due to General Capital Fund	C	<u>8,935.40</u>	<u>8,935.40</u>
		<u>204,529.33</u>	<u>139,912.09</u>
Total State & Federal Grants			
		<u>\$ 3,053,157.18</u>	<u>\$ 3,092,441.72</u>
Total Liabilities, Reserves & Fund Balance			

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

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	REFERENCE	2016	2015
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 683,000.00	\$ 400,000.00
Miscellaneous Revenue Anticipated	A-2	3,610,605.22	3,282,326.90
Receipts From Delinquent Taxes	A-2	422,245.69	320,903.90
Receipts From Current Taxes	A-2	33,690,408.19	32,152,945.25
Non-Budget Revenue	A-2,A-9	193,317.09	385,284.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	281,991.16	208,236.85
Prior Year Prepays Applied	A	-	2.00
Liquidation of Reserves for:			
Prior Year Reserve Recognized	A	71,144.00	-
Total Revenue and Other Income Realized		38,952,711.35	36,749,698.91
Expenditures:			
Operations Within "CAPS"			
Salaries & Wages	A-3	2,292,513.95	2,643,555.13
Other Expenses	A-3	2,548,300.00	2,600,824.25
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	697,845.00	721,918.00
Operations Excluded From "CAPS":			
Salaries & Wages	A-3	220,386.06	306,630.00
Other Expenses	A-3	797,165.84	342,048.15
Capital Improvements Excluded from "CAPS"	A-3	14,000.00	75,000.00
Municipal Debt Service Excluded from "CAPS"	A-3	900,064.90	855,164.39
Deferred Charges - Municipal - Excluded from "CAPS"	A-3	360,500.00	32,000.00
Local School Taxes	A-19	13,790,799.00	12,762,507.00
Regional High School Taxes	A-20	8,130,749.00	7,895,017.00
County Taxes	A-20	8,084,388.46	7,640,481.12
Due County for Added and Omitted Taxes	A-21	104,548.43	75,295.99
Local Municipal Open Spaces Taxes	A-6	322,142.29	317,920.88
Reserve for Prepaid Local School Taxes	A	4.00	-
Interfunds Created	A	790,268.68	-
Total Expenditures		39,053,675.61	36,268,361.91
Excess/(Deficit) in Revenue		(100,964.26)	481,337.00
Adjustment to Income Before Fund Balance:			
Expenditures Included Above which are by Statute Deferred			
Charges to Budget of Succeeding Year	A-3	-	344,364.38
Statutory Excess to Fund Balance		(100,964.26)	825,701.38
Fund Balance January 1	A	1,085,777.08	660,075.70
Total		984,812.82	1,485,777.08
Decreased by: Utilization as Anticipated Revenue	A-1,A-2	683,000.00	400,000.00
Fund Balance December 31	A	\$ 301,812.82	\$ 1,085,777.08

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

TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance	\$ 683,000.00	\$ -	\$ 683,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	8,000.00	-	10,000.00	2,000.00
Other	2,000.00	-	2,162.00	162.00
Fees and Permits	20,000.00	-	44,920.00	24,920.00
Fines & Costs - Municipal Court	174,000.00	-	166,784.29	(7,215.71)
Interest & Costs on Taxes	85,000.00	-	99,567.17	14,567.17
Interest on Investments & Deposits	3,000.00	-	10,328.74	7,328.74
Cable Television Franchise Fee	31,000.00	-	36,324.29	5,324.29
Energy Receipts Tax	1,837,333.00	-	1,837,333.00	-
Uniform Construction Code Fees	331,000.00	-	372,986.00	41,986.00
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	13,551.00	-	13,551.00	-
Alcohol Education and Rehabilitation Fund	884.00	-	884.00	-
Clean Communities	25,874.00	-	25,874.00	-
Sustainable Jersey Grant	25,000.00	-	25,000.00	-
Drunk Driving Enforcement Fund	-	3,553.07	3,553.07	-
Drive Sober or Get Pulled Over	-	3,610.00	3,610.00	-
Click it or Ticket	-	2,000.00	2,000.00	-
Body Armor Fund	-	1,622.78	1,622.78	-
Donations for Police Body Cameras	-	1,500.00	1,500.00	-
Municipal Alliance on Alcoholism and Drug Abuse	10,627.00	-	10,627.00	-
Safe & Secure Communities	41,685.00	-	41,685.00	-
JIF Safety Program	2,500.00	-	2,500.00	-
JIF Safety Incentive Program	2,925.00	-	2,925.00	-
JIF Wellness Budget	1,000.00	-	1,000.00	-
Other Special Items:				
Interlocal Agreements:				
East Greenwich School District	11,000.00	-	67,692.21	56,692.21
Zoning Officer - Paulsboro Borough	3,000.00	-	1,500.00	(1,500.00)
Joint Municipal Court - Woodbury	310,000.00	-	277,190.80	(32,809.20)
Construction Code - Paulsboro Borough	69,000.00	-	-	(69,000.00)
Gloucester County - Reimbursement for Tax Map	8,012.00	-	8,012.00	-
Lease - US Postal Service	60,000.00	-	60,000.00	-
FEMA Reimbursement	181,983.00	-	236,784.07	54,801.07
Reserve for FEMA Storm Reimbursement	162,517.00	-	162,517.30	0.30
PILOT	20,100.00	-	20,171.50	71.50
Sale of Equipment - Mantua Township	60,000.00	-	60,000.00	-
Total Miscellaneous Revenues	3,500,991.00	12,285.85	3,610,605.22	97,328.37
Receipts From Delinquent Taxes	290,000.00	-	422,245.69	132,245.69
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	3,775,100.00	-	3,683,947.01	(91,152.99)
Budget Totals	8,249,091.00	12,285.85	8,399,797.92	138,421.07
Nonbudget Revenues	-	-	193,317.09	193,317.09
Total	\$ 8,249,091.00	\$ 12,285.85	\$ 8,593,115.01	\$ 331,738.16

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

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 33,690,408.19
Less: School, County Taxes & Municipal Open Space Taxes	<u>30,432,627.18</u>
Balance for Support of Municipal Budget Appropriations	3,257,781.01
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>426,166.00</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 3,683,947.01</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 422,245.69
Tax Title Liens Receivable	<u>-</u>
Total Receipts From Delinquent Taxes	<u>\$ 422,245.69</u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Solicitor Permits	\$ 3,300.00
Grading Application Fees	3,775.00
Recycling Container Fees	5,800.00
Sale of Scrap	873.40
Road Opening Permits	4,960.00
Trash Pickup Fees	1,320.00
Property Lists	330.00
Police Reports	1,039.60
Omni Recycling	15,621.70
Rent - Farmland	2,641.59
Municipal Annex Usage - County EMS	11,673.57
PILOT - Botto's	3,786.20
County - Polling Place Rental	700.00
DMV Motor Vehicle Fines	2,507.13
Senior Citizens & Veterans Administrative Fee	1,670.00
Donations	1,000.00
Sale of Equipment to Woodbury	50,000.00
JIF Reimbursements	51,551.84
Miscellaneous	<u>30,767.06</u>
	<u>\$ 193,317.09</u>

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

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS				RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED			
			EXPENDED	ENCUMBERED		
OPERATIONS WITHIN "CAPS"						
General Government:						
Administrative and Executive						
Salaries and Wages	\$ 70,000.00	\$ 55,641.81	\$ 55,641.81	\$ -	\$ 8.19	\$ -
Other Expenses	25,000.00	20,000.00	17,312.86	745.50	1,941.64	-
Mayor and Council:						
Salaries and Wages	28,000.00	30,095.69	30,095.69	-	-	-
Municipal Clerk						
Codification of Ordinances - Other Expenses	3,000.00	3,000.00	2,250.23	749.77	-	-
Financial Administration						
Salaries and Wages	32,000.00	37,000.00	36,983.42	-	16.58	-
Other Expenses	10,000.00	10,000.00	7,813.59	2,163.00	23.41	-
Annual Audit	25,000.00	25,000.00	25,000.00	-	-	-
Collection of Taxes						
Salaries and Wages	79,700.00	68,800.00	68,758.39	-	41.61	-
Other Expenses	15,000.00	15,000.00	12,124.75	-	2,875.25	-
Legal Services and Costs:						
Other Expenses	125,000.00	121,000.00	84,146.83	4,025.00	32,828.17	-
Engineering Services Costs:						
Other Expenses	17,000.00	18,000.00	17,371.90	-	628.10	-
Insurance						
Employee Group Health	825,000.00	827,700.00	820,231.50	2,765.00	4,703.50	-
Health Benefit Waivers	1,600.00	1,600.00	-	-	1,600.00	-
Workers Compensation	120,000.00	120,000.00	120,000.00	-	-	-
General Liability	64,000.00	67,710.00	67,710.00	-	-	-
Unemployment Compensation	10,000.00	10,000.00	10,000.00	-	-	-
Public Buildings and Grounds						
Salaries and Wages	36,500.00	34,100.00	34,062.40	-	37.60	-
Other Expenses	31,000.00	31,000.00	28,808.94	1,572.98	618.08	-
Environmental Commission (N.J.S. 40:56A-1 et seq.)						
Salaries and Wages	700.00	700.00	-	-	700.00	-
Other Expenses	500.00	500.00	360.00	-	140.00	-
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board:						
Salaries and Wages	14,000.00	13,300.00	13,276.20	-	23.80	-
Other Expenses	5,000.00	9,000.00	5,438.86	1,441.25	2,119.89	-
Zoning Officer						
Salaries and Wages	5,200.00	5,211.18	5,211.18	-	-	-
Other Expenses	100.00	100.00	-	-	100.00	-

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS			PAID OR CHARGED EXPENDED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	BUDGET				
Public Safety							
Fire							
Other Expenses	30,000.00	30,000.00	22,857.22	7,092.21	50.57	-	-
Police							
Salaries and Wages	1,620,000.00	1,548,496.67	1,548,496.67	-	-	-	-
Other Expenses	185,000.00	220,000.00	171,972.70	48,027.30	(0.00)	-	-
Emergency Management Services							
Salaries and Wages	3,500.00	3,000.00	2,916.69	-	82.31	-	-
Other Expenses	6,200.00	6,200.00	5,479.91	670.71	49.38	-	-
Municipal Court							
Salaries and Wages	101,000.00	109,184.98	101,184.98	-	8,000.00	-	-
Other Expenses	77,000.00	77,000.00	74,751.50	853.06	1,395.44	-	-
Public Defender							
Salaries and Wages	4,000.00	4,000.00	-	-	4,000.00	-	-
Prosecutor							
Salaries and Wages	12,300.00	12,800.01	12,800.01	-	-	-	-
Streets and Roads							
Road Repairs & Maintenance:							
Salaries and Wages	241,000.00	216,500.00	216,458.60	-	41.40	-	-
Other Expenses	49,400.00	124,400.00	41,456.02	80,591.09	2,352.89	-	-
Fleet Maintenance							
Other Expenses	60,000.00	60,000.00	49,954.93	140.92	9,904.15	-	-
Street Lighting							
Other Expenses	125,000.00	123,000.00	107,221.82	230.00	15,548.18	-	-
Garbage and Trash Removal							
Salaries and Wages	350,000.00	350,000.00	309,621.89	5,917.31	34,460.80	-	-
Other Expenses	-	-	-	-	-	-	-
Health and Welfare							
Shade Tree							
Other Expenses	1,000.00	4,000.00	450.03	3,000.00	549.97	-	-
Recreation and Education							
Recreation							
Salaries and Wages	700.00	3,000.00	3,000.00	-	-	-	-
Other Expenses	18,500.00	14,790.00	10,097.93	764.62	3,927.45	-	-
Senior Citizens Program							
Other Expenses	1,000.00	1,000.00	754.00	19.90	226.10	-	-

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS			PAID OR CHARGED		RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED			
Code Enforcement							
Construction Code Official							
Salaries and Wages	88,000.00	88,000.00	88,000.00	-	-	-	-
Other Expenses	35,000.00	35,000.00	34,311.16	53.38	635.46	-	-
Subcode Officials							
Salaries and Wages:							
Electrical Inspector	24,000.00	-	-	-	-	-	-
Building Inspector	27,000.00	26,300.00	26,216.38	-	83.62	-	-
Plumbing Inspector	23,000.00	22,875.42	22,806.95	-	68.47	-	-
Fire Inspector	13,000.00	13,500.00	13,400.00	-	100.00	-	-
Unclassified							
Electricity	78,000.00	78,000.00	41,044.52	28,290.00	8,665.48	-	-
Telephone	50,000.00	54,100.00	50,649.03	3,307.63	143.34	-	-
Natural Gas	32,000.00	24,200.00	15,970.75	930.13	7,299.12	-	-
Gasoline	70,000.00	67,000.00	60,780.46	3,036.35	2,183.19	-	-
Total Operations Including Contingent - Within "CAPS"	4,860,900.00	4,840,813.95	4,495,252.70	196,387.11	149,174.14	-	-
Detail:							
Salaries and Wages	2,417,600.00	2,292,513.95	2,279,309.37	-	13,204.58	-	-
Other Expenses	2,443,300.00	2,548,300.00	2,215,943.33	196,387.11	135,969.56	-	-
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":							
Contribution to:							
Social Security (O.A.S.I.)	208,000.00	208,000.00	198,700.15	-	9,299.85	-	-
Police & Fire Retirement System	345,339.00	345,339.00	345,339.00	-	-	-	-
Public Employees Retirement System	136,506.00	136,506.00	136,506.00	-	-	-	-
Defined Contribution Retirement Program	2,000.00	8,000.00	1,941.48	609.90	5,448.62	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	691,845.00	697,845.00	682,486.63	609.90	14,748.47	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	5,552,745.00	5,538,658.95	5,177,739.33	196,997.01	163,922.61	-	-

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

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED		
OPERATIONS - EXCLUDED FROM "CAPS"						
Recycling Tax	10,000.00	10,000.00	-	-	10,000.00	-
LOSAP	-	-	-	-	-	-
Shared Services Agreements:						
Trash Collection Wenonah Borough	390,000.00	390,000.00	324,000.00	32,400.00	33,600.00	-
Information & Technology - Kingsway Regional School District	25,000.00	25,000.00	14,224.98	-	10,775.02	-
Crossing Guards - East Greenwich School District	11,000.00	14,020.94	14,020.94	-	-	-
Zoning Officer - Paulsboro	3,000.00	3,000.00	3,000.00	-	-	-
Construction Code - Paulsboro	44,500.00	44,500.00	21,333.86	-	23,166.14	-
Salaries and Wages	24,500.00	24,500.00	4,039.00	500.00	19,961.00	-
Other Expenses	150,000.00	158,865.12	143,865.12	-	15,000.00	-
Joint Municipal Court - Woodbury	160,000.00	162,199.99	139,524.42	2,111.90	20,563.67	-
Other Expenses	13,551.00	13,551.00	13,551.00	-	-	-
Recycling Tonnage Grant	884.00	884.00	884.00	-	-	-
Alcohol Education and Rehabilitation Fund	25,874.00	25,874.00	25,874.00	-	-	-
Clean Communities	-	3,610.00	3,610.00	-	-	-
Drive Sober or Get Pulled Over	-	2,000.00	2,000.00	-	-	-
Click it or Ticket	-	3,553.07	3,553.07	-	-	-
Drunk Driving Enforcement Fund	-	1,622.78	1,622.78	-	-	-
Body Armor Fund	-	1,500.00	1,500.00	-	-	-
Donations for Police Body Cameras	25,000.00	25,000.00	25,000.00	-	-	-
Sustainable Jersey Grant	3,962.00	3,962.00	3,962.00	-	-	-
Matching Funds for FIRE Grant	10,627.00	10,627.00	10,627.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse	2,657.00	2,657.00	2,657.00	-	-	-
State Share	41,685.00	41,685.00	41,685.00	-	-	-
Local Share	42,515.00	42,515.00	42,515.00	-	-	-
Safe & Secure Communities	2,500.00	2,500.00	2,500.00	-	-	-
State Share	1,000.00	1,000.00	1,000.00	-	-	-
Local Share	2,925.00	2,925.00	2,925.00	-	-	-
JIF Safety Program						
JIF Wellness Budget						
JIF Safety Incentive Program						
Total Operations Excluded From "CAPS"	991,180.00	1,017,551.90	849,474.17	35,011.90	133,065.83	-
Detail:						
Salaries and Wages	208,500.00	220,386.06	182,219.92	-	38,166.14	-
Other Expenses	782,680.00	797,165.84	667,254.25	35,011.90	94,899.69	-

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

TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS			RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED EXPENDED		
Capital Improvements - Excluded from "CAPS" Capital Improvement Fund	14,000.00	14,000.00	14,000.00	-	-
Total Capital Improvements - Excluded from "CAPS"	14,000.00	14,000.00	14,000.00	-	-
Municipal Debt Service - Excluded from "CAPS": Payment of Bond Principal	480,500.00	480,500.00	480,500.00	-	450.00
Payment of Bond Anticipation Notes and Capital Notes	75,000.00	75,000.00	75,000.00	-	-
Interest on Bonds	339,000.00	339,000.00	338,589.14	-	410.85
Interest on Notes	10,000.00	10,000.00	6,425.75	-	3,574.25
Total Municipal Debt Service Excluded from "CAPS"	904,500.00	904,500.00	900,064.89	-	4,435.10
Deferred Charges - Excluded from "CAPS" Emergency Authorization - Storm	344,500.00	344,500.00	344,364.38	-	135.62
Special Emergency Authorization - 5 Years	16,000.00	16,000.00	16,000.00	-	-
Total Deferred Charges - Excluded from "CAPS"	360,500.00	360,500.00	360,364.38	-	135.62
Total General Appropriations Excluded from "CAPS"	2,270,180.00	2,296,551.90	2,123,903.44	133,011.90	4,570.72
Subtotal General Appropriations	7,822,925.00	7,835,210.85	7,301,642.77	232,008.91	4,570.72
Reserve For Uncollected Taxes	426,166.00	426,166.00	426,166.00	-	-
Total General Appropriations	\$ 8,249,091.00	\$ 8,261,376.85	\$ 7,727,808.77	\$ 232,008.91	\$ 4,570.72
Original Budget	\$ 8,249,091.00				
Appropriation by N.J.S.A. 40A:4-87	12,285.85				
Total	\$ 8,261,376.85				
Reserve for Federal & State Grants		\$ 185,465.85			
Reserve for Uncollected Taxes		426,166.00			
Deferred Charges - Special Emergency Authorizations		360,364.38			
Capital Improvement Fund		14,000.00			
Due to General Capital		75,000.00			
Budget Reimbursements		(125,608.48)			
Cash Disbursements		5,792,421.02			
		\$ 7,727,808.77			

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

**TOWNSHIP OF EAST GREENWICH
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Animal Control Fund:			
Cash	B-3	\$ 30,402.30	\$ 22,455.61
Total Animal Control Fund		<u>30,402.30</u>	<u>22,455.61</u>
Open Space Trust Fund:			
Cash	B-3	2,002.00	21,527.80
Due Current Fund	B-9	96,094.48	55,656.82
Total Open Space Trust Fund		<u>98,096.48</u>	<u>77,184.62</u>
Other Trust Funds:			
Cash	B-3	1,461,283.66	1,305,003.32
Total Other Trust Funds		<u>1,461,283.66</u>	<u>1,305,003.32</u>
Total Assets		<u>\$ 1,589,782.44</u>	<u>\$ 1,404,643.55</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	\$ 25,121.08	\$ 22,455.61
Due to Current Fund	A	5,281.22	-
Total Animal Control Fund		<u>30,402.30</u>	<u>22,455.61</u>
Municipal Open Space Trust Fund:			
Reserve for Open Space	B-6	29,738.56	12,576.70
Reserve for Encumbrances	B-8	3,750.00	-
Due General Capital Fund	C	64,607.92	64,607.92
Total Municipal Open Space Trust Fund		<u>98,096.48</u>	<u>77,184.62</u>
Other Trust Funds:			
Miscellaneous Reserves	B-10	1,161,283.66	1,305,003.32
Due to Current Fund	A	300,000.00	-
Total Other Trust Funds		<u>1,461,283.66</u>	<u>1,305,003.32</u>
Total		<u>\$ 1,589,782.44</u>	<u>\$ 1,404,643.55</u>

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

TOWNSHIP OF EAST GREENWICH
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 318,150.00	\$ 322,142.29	\$ 3,992.29
Miscellaneous	-	12,901.77	12,901.77
	<u>\$ 318,150.00</u>	<u>\$ 335,044.06</u>	<u>\$ 16,894.06</u>
Cash Receipts		\$ 12,901.77	
Due Current Fund		<u>322,142.29</u>	
		<u>\$ 335,044.06</u>	

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

TOWNSHIP OF EAST GREENWICH
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	BUDGET	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	RESERVED	UNEXPENDED BALANCE CANCELED
Maintenance of Lands for Recreation and Conservation:					
Salaries & Wages	\$ 16,500.00	\$ 16,500.00	\$ -	\$ -	\$ -
Other Expenses	36,400.00	32,427.57	3,750.00	222.43	-
Debt Service:					
Payment of Bond Principal	154,950.00	154,950.00	-	-	-
Payment of Bond Interest	110,300.00	110,254.63	-	-	45.37
Total	\$ 318,150.00	\$ 314,132.20	\$ 3,750.00	\$ 222.43	\$ 45.37

Cash Disbursements \$ 32,427.57
Due Current Fund 281,704.63

\$ 314,132.20

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

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	<u>2016</u>	<u>2015</u>
Cash	C-1,C-2	\$ -	\$ -
Grants Receivable	C-3	170,357.20	170,357.20
Deferred Charges to Future Taxation:			
Funded	C-4	11,580,000.00	12,340,000.00
Unfunded	C-5	702,647.00	777,647.00
Due from Current Fund	C-11	-	1,641.33
Due from Grant Fund	A	8,935.40	8,935.40
Due from Open Space Trust Fund	B	64,607.92	64,607.92
		<u> </u>	<u> </u>
Total Assets		<u>\$ 12,526,547.52</u>	<u>\$ 13,363,188.85</u>
LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Funded	C-6	\$ 25,506.56	\$ 176,186.85
Unfunded	C-6	200,718.19	417,185.08
Capital Improvement Fund	C-7	71,042.00	57,042.00
Contracts Payable	C-8	17,013.40	97,674.92
Bond Anticipation Notes	C-9	200,100.00	275,100.00
Serial Bonds Payable	C-10	11,580,000.00	12,340,000.00
Reserve for Debt Payments	C	29,298.89	-
Due to Current Fund	C-11	402,868.48	-
		<u> </u>	<u> </u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 12,526,547.52</u>	<u>\$ 13,363,188.85</u>

Bonds and Notes Authorized But Not Issued as of December 31, 2016 was \$502,547.00 and as of December 31, 2015 was \$502,547.00.

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

**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	<u>2016</u>	<u>2015</u>
ASSETS			
Operating Fund:			
Cash	D-4	\$ 1,157,638.87	\$ 593,966.30
Change Fund	D	50.00	50.00
Due from Developer	D	687.00	687.00
Due from Current Fund	D-18	-	250,731.86
Total		<u>1,158,375.87</u>	<u>845,435.16</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-6	67,782.36	172,592.80
Water/Sewer Liens	D-12	1,061.50	-
Total Receivables With Full Reserves		<u>68,843.86</u>	<u>172,592.80</u>
Deferred Charges:			
Over-expenditure of Appropriation	D-7	-	19,961.53
Over-expenditure of Appropriation Reserve	D-7	-	672.01
Total Deferred Charges		<u>-</u>	<u>20,633.54</u>
Total Operating Fund		<u>1,227,219.73</u>	<u>1,038,661.50</u>
Capital Fund:			
Cash	D-4	31,623.00	31,623.00
Fixed Capital	D-8	15,076,250.45	14,994,032.35
Fixed Capital Authorized and Uncompleted	D-9	77,500.00	77,500.00
Total Capital Fund		<u>15,185,373.45</u>	<u>15,103,155.35</u>
Total Operating & Capital Fund		<u>\$ 16,412,593.18</u>	<u>\$ 16,141,816.85</u>

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

TOWNSHIP OF EAST GREENWICH
 WATER-SEWER UTILITY FUND
 STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
 FUND BALANCE - REGULATORY BASIS
 DECEMBER 31, 2016 AND 2015

	REFERENCE	<u>2016</u>	<u>2015</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 88,707.46	\$ 119,610.12
Reserve for Encumbrances	D-3	104,849.55	23,620.00
Prepaid Rents	D-11	3,977.70	6,269.47
Accrued Interest Payable	D-13	37,688.06	43,588.93
Due to Current Fund	D-18	<u>154,794.73</u>	<u>-</u>
Subtotal		<u>390,017.50</u>	<u>193,088.52</u>
Reserve for Receivables	D	68,843.86	172,592.80
Fund Balance	D-1	<u>768,358.37</u>	<u>672,980.18</u>
Total Operating Fund		<u>1,227,219.73</u>	<u>1,038,661.50</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	D-14	77,500.00	77,500.00
Capital Improvement Fund	D-15	32,609.00	32,609.00
Reserve for Amortization	D-16	9,063,264.45	8,709,046.35
Serial Bonds	D-17	<u>6,012,000.00</u>	<u>6,284,000.00</u>
Total Capital Fund		<u>15,185,373.45</u>	<u>15,103,155.35</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 16,412,593.18</u>	<u>\$ 16,141,816.85</u>

Bonds and Notes Authorized But Not Issued as of December 31, 2016 was \$78,486.00 and as of December 31, 2015 was \$78,486.00.

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

TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Revenue & Other Income Realized:		
Operating Fund Balance Utilized	\$ 287,634.00	\$ 114,510.15
Rents	2,998,003.88	2,955,072.65
Miscellaneous Revenue Not Anticipated	138,528.11	174,476.97
Other Credits to Income:		
Miscellaneous	6,269.93	-
Unexpended Balance of Appropriation Reserves	73,395.30	91,901.25
 Total Income	 3,503,831.22	 3,335,961.02
 Expenditures:		
Budget Appropriations:		
Operating	2,490,533.99	2,428,000.00
Capital Improvements	135,000.00	70,000.00
Debt Service	442,685.03	432,243.47
Deferred Charges & Statutory Expenditures	52,600.01	29,510.15
 Total Expenditures	 3,120,819.03	 2,959,753.62
 Excess/(Defecit) in Revenue	 383,012.19	 376,207.40
 Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
 Statutory Excess to Fund Balance	 383,012.19	 376,207.40
Fund Balance January 1	672,980.18	411,282.93
 Total	 1,055,992.37	 787,490.33
Less: Utilized by Operating Budget	287,634.00	114,510.15
 Balance December 31	 \$ 768,358.37	 \$ 672,980.18

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

TOWNSHIP OF EAST GREENWICH
 WATER-SEWER UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2016

	BUDGET	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	\$ 287,634.00	\$ 287,634.00	\$ -
Rents	2,700,000.00	2,998,003.88	298,003.88
Miscellaneous	158,000.00	138,528.11	(19,471.89)
	<u>\$ 3,145,634.00</u>	<u>\$ 3,424,165.99</u>	<u>\$ 278,531.99</u>

Rents:

Consumer Accounts Receivable:

Rents Collected

\$ 2,998,003.88

Tax Title Liens

-

Total

\$ 2,998,003.88

ANALYSIS OF REALIZED REVENUES

Miscellaneous

Water Interest & Penalties

\$ 14,804.65

Sewer Interest & Penalties

11,819.25

Water Meters

44,386.50

Water Title Charge

2,430.00

Sewer Title Charge

1,890.00

Water Shut Offs/Turn Ons

700.00

Water Taps

28,297.00

Water & Sewer Connection Fees

32,894.00

Sewer Cost of Sale

1,306.71

Total

\$ 138,528.11

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

**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	BUDGET	BUDGET AFTER MODIFICATION		PAID OR CHARGED		RESERVED	UNEXPENDED BALANCE CANCELED
		BUDGET	MODIFICATION	EXPENDED	ENCUMBERED		
Operating:							
Salaries & Wages	\$ 362,000.00	\$ 360,033.99	\$ 349,555.23	\$ -	\$ 10,478.76	\$ -	
Other Expenses	525,500.00	525,500.00	441,767.82	52,067.65	31,664.53	-	
Gloucester County Utilities Authority	470,000.00	470,000.00	424,816.83	-	45,183.17	-	
Other Insurance	100,000.00	100,000.00	98,619.00	-	1,381.00	-	
New Jersey American Water	880,000.00	880,000.00	880,000.00	-	-	-	
Group Insurance for Employees	155,000.00	155,000.00	155,000.00	-	-	-	
Capital Improvements:							
Capital Outlay	135,000.00	135,000.00	82,218.10	52,781.90	-	-	
Debt Service:							
Payment of Bond Principal	255,000.00	255,000.00	255,000.00	-	-	-	
Interest on Bonds	190,000.00	190,000.00	187,685.03	-	-	-	2,314.97
Interest on Notes	22,500.00	22,500.00	-	-	-	-	22,500.00
Deferred Charges and Statutory Expenditures							
Deferred Charges:							
Overexpenditure of Appropriations	19,962.00	19,962.00	19,962.00	-	-	-	
Overexpenditure of Appropriation Reserves	672.00	672.00	672.00	-	-	-	
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)	25,000.00	26,966.01	26,966.01	-	-	-	
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00	-	-	-	
Total Expenditures	\$ 3,145,634.00	\$ 3,145,634.00	\$ 2,927,262.02	\$ 104,849.55	\$ 88,707.46	\$ 24,814.97	
Interest on Bonds			\$ 187,685.03				
Deferred Charges			20,634.00				
Disbursed			2,718,942.99				
Total			\$ 2,927,262.02				

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

TOWNSHIP OF EAST GREENWICH
 GENERAL FIXED ASSETS ACCOUNT GROUP
 STATEMENT OF FIXED ASSETS AND
 FUND BALANCE - REGULATORY BASIS
 DECEMBER 31, 2016 AND 2015

ASSETS	BALANCE DECEMBER 31, 2016	BALANCE DECEMBER 31, 2015
General Fixed Assets:		
Land	\$ 2,657,850.00	\$ 2,657,850.00
Building	5,772,222.00	5,772,222.00
Vehicles	3,097,030.00	3,519,038.00
Equipment	<u>2,435,376.09</u>	<u>2,863,179.09</u>
Total General fixed Assets	<u>\$ 13,962,478.09</u>	<u>\$ 14,812,289.09</u>
Investment in General Fixed Assets	<u>\$ 13,962,478.09</u>	<u>\$ 14,812,289.09</u>

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

**TOWNSHIP OF EAST GREENWICH
COUNTY OF GLOUCESTER**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Township of East Greenwich was incorporated in January, 1929 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 9,555.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Township Clerk.

Component Units

The Township of East Greenwich had no component units as defined by Governmental Accounting Standards Board Statement No.14, as amended by GASB Statements No. 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation

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

In accordance with the "Requirements", the Township of East Greenwich accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds -- 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 - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Water- Sewer Utility Operating Fund - revenue and expenditures necessary to operate a Township owned water and sewer system from user fees.

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Water-Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water and sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current, open space trust and water-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 Township. 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.40AA-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 Township's financial statements.

Cash and Cash Equivalents - 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. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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. 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.

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

The cash management plan adopted by the Township 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 Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2016.

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Land	\$ 2,657,850.00	\$ -	\$ -	\$ 2,657,850.00
Building	5,772,222.00	-	-	5,772,222.00
Vehicles	3,519,038.00	-	422,008.00	3,097,030.00
Equipment	2,863,179.09	-	427,803.00	2,435,376.09
Total	\$ 14,976,376.73	\$ -	\$ 849,811.00	\$ 13,962,478.09

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 and improvements and contributed capital.

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 Township 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 assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures 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 utility operating funds 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 Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2016

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

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 Township's annual budget, but also the amounts required in support of the budgets of the County of Camden and the Township of East Greenwich School District and the Kingsway Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of East Greenwich School District and the Kingsway Regional High School District. Operations are 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 and for the regional high school district the Township'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, 2015 and decreased by the amount deferred at December 31, 2016.

County Taxes - The Township is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 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 Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - 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 fiscal year. Lapsed appropriation reserves are recorded as income.

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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 Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Township implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Township is required to measure certain investments at fair value for financial reporting purposes. In addition, the Township is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Township's financial statements.

The Township implemented 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*. Implementation of this Statement did not impact the Township's financial statements.

The Township implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Township's financial statements.

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Township's financial statements.

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

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

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

Note 2. Cash

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 4,156,936.55</u>
Total Deposits	<u>\$ 4,156,936.55</u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 1,790,128.92
Animal Control Trust Fund	30,402.30
Open Space Trust Fund	2,002.00
Trust - Other Fund	1,145,091.46
Utility Operating Fund	1,157,688.87
Utility Capital Fund	<u>31,623.00</u>
Total Cash	<u>\$ 4,156,936.55</u>

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 2. Cash and Cash Equivalents (continued):

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township 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 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2016, the Township's bank balances of \$5,995,218.31 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 1,557,950.53
Insured Under F.D.I.C.	250,000.00
Collateralized Under GUDPA	<u>4,187,267.78</u>
Total	<u>\$ 5,995,218.31</u>

Note: 3: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2016	2015	2014
Total Tax Rate	<u>\$3.216</u>	<u>\$3.082</u>	<u>\$2.816</u>
Apportionment of Tax Rate:			
Municipal	0.355	0.356	0.298
Municipal Open Space	0.029	0.029	0.029
County	0.764	0.729	0.689
Local School District	1.301	1.216	1.150
Regional High School	0.767	0.752	0.726

Net Valuation Taxable:

2016	<u>\$ 1,060,518,500</u>
2015	<u>\$ 1,049,841,385</u>
2014	<u>\$ 1,038,264,342</u>

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note: 3: Property Taxes (continued):

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2016	\$ 34,118,797.51	\$ 33,690,408.19	98.74%
2015	32,679,643.58	32,152,945.25	98.38%
2014	30,392,042.09	30,025,282.45	98.79%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2016	\$ 47,909.02	\$ 403,619.66	\$ 451,528.68	1.31%
2015	18,585.58	434,845.36	453,430.94	1.39%
2014	40,414.46	293,051.50	333,465.96	1.10%

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 two years was as follows:

YEAR	AMOUNT
2016	\$ -
2015	-
2014	-

Note: 5: Water-Sewer Utility Service Charges

The following is a three-year comparison of water-sewer utility charges (rents) for the current and previous two years.

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2016	\$ 172,592.80	\$ 2,893,193.44	\$ 3,065,786.24	\$ 2,998,003.88	97.79%
2015	146,843.43	2,980,451.84	3,127,295.27	2,954,702.47	94.48%
2014	131,682.45	2,730,131.60	2,861,814.05	2,713,707.67	94.82%

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note: 6: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2016	\$ 301,812.82	\$ 257,123.00	85.19%
2015	1,085,777.08	683,000.00	62.90%
2014	660,075.70	400,000.00	60.60%
2013	115,294.16	81,000.00	70.26%
2012	619,211.38	577,000.00	93.18%

WATER-SEWER OPERATING FUND:

2016	\$ 768,358.70	\$ 290,000.00	37.74%
2015	672,980.18	287,633.54	42.74%
2014	411,282.93	114,510.00	27.84%
2013	123,914.17	-	0.00%
2012	396,722.22	276,000.00	69.57%

Note 7. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/amrprts.shtml.

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

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th 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 1/60th 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 before age 62 with 25 or more years of service credit 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.

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

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

annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Components of Net Pension Liability - At December 31, 2016, the Municipality reported a liability of \$4,562,092 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .01540%, which was a decrease of .00048% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	1,203,820	467,800
Deferred Inflows of Resources	311,440	355,441
Net Pension Liability	4,562,092	3,564,235
Municipality's Portion of the Plan's Total		
Net Pension Liability	0.01540%	0.01588%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 84,841	\$ -
Changes of Assumptions	945,022	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	173,957	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	-	311,440
	\$ 1,203,820	\$ 311,440

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

Year Ending	<u>Dec 31,</u>	<u>PERS</u>
2017	\$	192,019
2018		192,021
2019		240,485
2020		210,103
2021		57,754
	\$	892,382

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

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

	<u>PERS</u>
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions.

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 5,590,311	\$ 4,562,092	\$ 3,713,208

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

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

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, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years.

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Pension Obligations (continued):

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

Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Municipality contributions to PFRS amounted to \$356,405 for 2016.

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

Net Pension Liability and Pension Expense - At December 31, 2016, the Municipality's proportionate share of the PFRS net pension liability is valued to be \$8,350,188. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .04371%, which was an increase of .00123% from its proportion measured as of June 30, 2015.

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

Collective Balances at December 31, 2016 & December 31, 2015		
	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	1,882,852	1,306,499
Deferred Inflows of Resources	878,622	1,250,342
Net Pension Liability	8,350,188	7,076,506
 Municipality's Portion of the Plan's Total Net Pension Liability	 0.04371%	 0.04248%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 54,737
Changes of Assumptions	1,156,570	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	585,081	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	141,201	823,885
	\$ 1,882,852	\$ 878,622

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

Year Ending	<u>Dec 31,</u>	<u>PFRS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$	181,365		
2018		181,363		
2019		338,288		
2020		262,482		
2021		<u>40,736</u>		
	<u>\$</u>	<u>1,004,234</u>		
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014				
			-	-
June 30, 2015				
			-	5.53
June 30, 2016				
			-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014				
			6.17	-
June 30, 2015				
			5.53	-
June 30, 2016				
			5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014				
			-	5.00
June 30, 2015				
			-	5.00
June 30, 2016				
			5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014				
			6.17	6.17
June 30, 2015				
			5.53	5.53
June 30, 2016				
			5.58	5.58

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

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

Additionally, the State's proportionate share of the net pension liability attributable to the Municipality is \$701,209 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State's proportion of the net pension liability associated with the Municipality was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2016 was .04371%, which was an increase of .00123% from its proportion measured as of June 30, 2015, which is the same proportion as the Municipality's.

Municipality's Proportionate Share of the Net Pension Liability	\$	8,350,188
State's Proportionate Share of the Net Pension Liability Associated with the Municipality		701,209
Total Net Pension Liability	\$	9,051,397

For the year ended December 31, 2016, the Municipality's total allocated pension expense was \$790,770.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

	<u>PFRS</u>
Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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 PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 7. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% 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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 11,671,113	\$ 9,051,397	\$ 6,915,176

TOWNSHIP OF EAST GREENWICH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 8: Other Post Employment Benefits

Plan Description

In addition to the pension benefits described in Note 7, the Township contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under *N.J.S.A.52:14-17.25 et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P.

The Township's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Township will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Township of East Greenwich and remains in effect until the employee becomes Medicare eligible. The plan can be amended by the Township subject to applicable collective bargaining and employment agreements.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the S.H.B.P. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the S.H.B.P. are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. For 2016, all 14 retirees were participating in the NJ Direct (Blue Cross, Blue Shield PPO) plans.

The Township contributions to SHBP for the years ended December 31, 2016 and 2015 were \$321,780.94 and \$295,910.68, which equaled the required contributions for each year. There were 14 and 14 retired participants eligible at December 31, 2016 and 2015.

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Compensated Absences

Non-Police full-time employees are entitled to vacation and sick leave days based on their years of service. Unused sick leave may be accumulated up to a maximum of 180 days. Vacation days not used during the year may be accumulated for a maximum of one week and carried forward. Upon termination of employment, employees receive payment for accrued vacation leave for the current year only.

Police full-time employees are entitled to vacation and sick leave days based on their years of service. Unused sick leave may be accumulated up to a maximum of 1,200 hours. Vacation days not used during the year may only be carried over to the first quarter of the subsequent period. All accumulated vacation and holidays are paid out at retirement. The Township compensates employees for unused sick leave when the employee qualifies for retirement or honorable severance and has completed 8 years of continuous service. There is a maximum compensation amount of \$15,000 which is paid at the rate of pay upon termination or retirement.

The Township of East Greenwich does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$163,483.14.

Note 10. Deferred Compensation Salary Account

The Township 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 benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 11. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2016:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 862,944.43	\$ 187,648.04
Federal and State Grant Fund	91,553.56	8,935.40
Animal Control Trust Fund	-	5,281.22
Open Space Trust Fund	96,094.48	64,607.92
Trust Other Fund	-	300,000.00
General Capital Fund	73,543.32	402,868.48
Utility Operating Fund	-	154,794.73
	<u>\$ 1,124,135.79</u>	<u>\$ 1,124,135.79</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Interfunds Receivables and Payables (continued):

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 330,067.81	\$ 1,407,730.02
Federal and State Grant Fund	107,395.61	115,570.78
Open Space Trust Fund	281,704.63	-
Trust Other Fund	-	-
Animal Control Trust Fund	5,281.22	-
General Capital Fund	647,808.70	200,100.00
Utility Operating Fund	365,539.86	14,397.03
	<u>\$ 1,737,797.83</u>	<u>\$ 1,737,797.83</u>

The purpose of these interfunds is short-term borrowings.

Note 12. Long-Term Debt

A. Capital Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the Township at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Issued & Outstanding:			
General Bonds, Loans and Notes	\$ 11,780,100.00	\$ 12,615,100.00	\$ 13,260,100.00
Water-Sewer Utility Bonds, Loans and Notes	6,012,000.00	6,284,000.00	6,524,000.00
Total Debt Issued	<u>17,792,100.00</u>	<u>18,899,100.00</u>	<u>19,784,100.00</u>
Deductions:			
Self-Liquidating Debt	6,012,000.00	6,284,000.00	6,524,000.00
Funds Temporarily Held to Play Bonds and Notes	-	-	-
Total Deductions	<u>6,012,000.00</u>	<u>6,284,000.00</u>	<u>6,524,000.00</u>
Net Debt Issued & Outstanding	<u>11,780,100.00</u>	<u>12,615,100.00</u>	<u>13,260,100.00</u>

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12. Long Term Debt (continued):

A. Capital Debt (continued):

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Authorized But Not Issued:			
General Bonds and Notes	502,547.00	502,547.00	158,172.00
Water-Sewer Utility Bonds and Notes	78,486.00	78,486.00	78,486.00
Total Authorized But Not Issued	<u>581,033.00</u>	<u>581,033.00</u>	<u>236,658.00</u>
Deductions:			
Self-Liquidating Debt	78,486.00	78,486.00	78,486.00
Total Deductions	<u>78,486.00</u>	<u>78,486.00</u>	<u>78,486.00</u>
Net Authorized But Not Issued	<u>502,547.00</u>	<u>502,547.00</u>	<u>158,172.00</u>
Total Net Debt	<u>\$ 12,282,647.00</u>	<u>\$ 13,117,647.00</u>	<u>\$ 13,418,272.00</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.110%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 19,815,000.00	\$ 19,815,000.00	\$ -
Regional School District Debt	16,104,373.40	16,104,373.40	-
Water-Sewer Utility	6,090,486.00	6,090,486.00	-
General Debt	<u>12,282,647.00</u>	<u>-</u>	<u>12,282,647.00</u>
Total	<u>\$ 54,292,506.40</u>	<u>\$ 42,009,859.40</u>	<u>\$ 12,282,647.00</u>

Net Debt, \$12,282,647.00 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$1,106,195.296 equals 1.110%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 38,716,835.36
Net Debt	<u>12,282,647.00</u>
Remaining Borrowing Power	<u>\$ 26,434,188.36</u>

Calculation of Self-Liquidating Purpose - Water-Sewer Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ 3,032,804.52
Deductions:	
Operating & Maintenance Costs	\$ 2,522,500.00
Debt Service per Water-Sewer Operating Fund	<u>467,500.00</u>
Excess Revenue - Self Liquidating	<u>\$ 42,804.52</u>

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12. Long Term Debt (continued):

A. Capital Debt (continued):

During the fiscal year ended December 31, 2016 the following changes occurred in capital debt and long-term liabilities:

	Balance December 31, 2015	Accrued/ Increases	Retired/ Decreases	Balance December 31, 2016	Due Within One Year
General Capital:					
General Obligation Bonds	\$ 12,340,000.00	\$ 6,585,000.00	\$ (7,345,000.00)	\$ 11,580,000.00	\$ 685,000.00
Bond Anticipation Notes	275,100.00	200,100.00	(275,100.00)	200,100.00	200,100.00
Authorized but Not Issued	502,547.00	-	-	502,547.00	-
Water/Sewer Utility Capital:					
General Obligation Bonds	6,284,000.00	935,000.00	(1,207,000.00)	6,012,000.00	265,000.00
Authorized but Not Issued	78,486.00	-	-	78,486.00	-
Other:					
Net Pension Liability - PERS	3,564,235.00	997,857.00	-	4,562,092.00	-
Net Pension Liability - PFRS	7,076,506.00	1,273,682.00	-	8,350,188.00	-
Compensated Absences	164,373.55	-	(890.41)	163,483.14	-
Total	\$ 20,235,207.74	\$ 9,991,639.00	\$ (8,827,990.41)	\$ 31,448,896.14	\$ 1,150,100.00

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

<u>Year</u>	<u>GENERAL DEBT</u>		<u>WATER-SEWER UTILITY</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	685,000.00	356,462.50	265,000.00	171,243.75	1,477,706.25
2018	715,000.00	332,850.00	275,000.00	164,300.00	1,487,150.00
2019	750,000.00	307,162.50	290,000.00	156,706.25	1,503,868.75
2020	875,000.00	294,487.50	300,000.00	150,781.25	1,620,268.75
2021	890,000.00	279,112.50	320,000.00	144,631.25	1,633,743.75
2022-2026	4,865,000.00	921,762.50	1,785,000.00	583,356.25	8,155,118.75
2027-2031	2,800,000.00	191,037.50	1,740,000.00	310,606.20	5,041,643.70
2032-2034	-	-	1,037,000.00	63,731.25	1,100,731.25
Total	\$ 11,580,000.00	\$ 2,682,875.00	\$ 6,012,000.00	\$ 1,745,356.20	\$ 22,020,231.20

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12. Long Term Debt (continued):

B. Bond Anticipation Notes

The Township had Bond Anticipation Notes outstanding at December 31, 2016 in the amount of \$200,100.00 consisting fully of general improvement notes. The notes bear an interest rate of 1.35% and mature on 12/31/2017.

C. Tax Anticipation Notes

The Township had issued Tax Anticipation Notes in the amount of \$1,000,000.00 during the current year. The notes were issued on 06/26/2016 and bore an interest rate of 0.74%. The notes matured on 11/13/2016.

D. Refunding Bonds Issued

On August 10, 2016 the Township issued General Obligation Refunding Bonds in the amount of \$7,520,000. The bonds hold interest rates varying from 1.00%-4.00% per annum. The final coupon becomes due on August 1, 2028. The Refunding Bonds are being issued to provide funds which will be used to: (i) advance refund and redeem all of the Township's outstanding callable General Obligation Bonds, Series 2008, maturing on August 1 in the years 2019 through 2028, both dates inclusive (collectively, the "Prior Bonds"); and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

Note 13. Joint Insurance Pool

The Township of East Greenwich is a member of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

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

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 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.

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 13. Joint Insurance Pool (continued):

The Fund provides the Township with the following coverage:

- Business Automobile Liability
- Excess Liability
- Public Officials & Employment Liability Coverage
- Worker's Compensation
- Environmental Legal Liability
- General and Automobile Liability
- Excess Crime – Public Employee's & Officials' Bonds
- Casualty Policy
- Property – Blanket Building and Grounds

The Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund
PO Box 442
Hammonton, New Jersey 08037

Note 14. New Jersey Unemployment Compensation Insurance

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

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Earnings</u>	<u>Township</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2016	\$ 28.90	\$ 15,000.00	\$ 6,111.70	\$ 15,922.33
2015	10.69	-	666.22	7,005.13
2014	7.06	15,000.00	14,146.38	7,660.66

TOWNSHIP OF EAST GREENWICH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 15. Accounts Receivable

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes, utility rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs. Accounts receivable as of fiscal year end for the Township's individual major funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	General Capital Fund	Water/Sewer Operating Fund	Total
State Aid	\$ 9,500.00	\$ 112,975.77	\$ 170,357.20	\$ -	\$ 292,832.97
Utility Rents	-	-	-	68,843.86	68,843.86
Taxes	451,528.68	-	-	-	451,528.68
Other	34,521.82	-	-	687.00	35,208.82
Total	\$ 495,550.50	\$ 112,975.77	\$ 170,357.20	\$ 69,530.86	\$ 848,414.33

Note 16. Subsequent Events

The Township has evaluated subsequent events through Notes August 18, 2017, the date the financial statements were available to be issued. The following was noted:

Tax Anticipation Notes

On August 8, 2017 the Township issued Tax Anticipation Notes for short-term financing of operations. The note issued was for \$1,000,000.00 and held an interest rate of 1.646% per annum. The note becomes due on December 29, 2017.

Bond Ordinances

During February of 2017, the Township approved one new bond ordinance. Ordinance 1-2017 was approved providing for telephone system improvements for the Township for a total of \$15,000.00 to be fully funded by the Capital Improvement Fund.

During July of 2017, the Township approved one new bond ordinance. Ordinance 6-2017 was approved providing for various capital improvements of the Township for a total of \$873,000.00 and authorizing the issuance of debt in the amount of \$831,426.00 in bonds or notes.

SUPPLEMENTAL EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF CURRENT CASH
YEAR ENDED DECEMBER 31, 2016**

	CURRENT
Balance, December 31, 2015	\$ 2,112,151.95
Increased by Receipts:	
Miscellaneous Revenue not Anticipated	\$ 193,317.09
Taxes Receivable	33,928,445.42
Due from State of New Jersey - Tax Deductions	83,250.00
Revenue Accounts Receivable	3,303,744.07
Prepaid Taxes	263,319.08
Cash Reimbursements	125,608.48
Due to County - Poll Workers	11,350.00
Due to State of New Jersey - DCA Fees	55,105.00
Due to State of New Jersey - Marriage Licenses	1,925.00
Outside Police Services	146,803.84
Due Federal & State Grant Fund	115,570.78
Due from Utility Operating Fund	14,397.03
Due General Capital Fund	29,298.89
	38,272,134.68
Total Receipts	38,272,134.68
Subtotal	40,384,286.63
Decreased by Disbursements:	
2016 Appropriations	6,792,421.02
2015 Appropriations Reserves	165,546.25
Special Emergency Notes Paid	32,000.00
Tax Overpayments	69,099.27
Due to State of New Jersey - DCA Fees	52,533.00
Due to State of New Jersey - Marriage Licenses	375.00
Municipal Open Space Taxes	318,150.00
Local District School Taxes	13,790,803.00
Regional High School Taxes	8,130,749.52
County Taxes Payable	8,084,388.46
Due County for Added and Omitted Taxes	75,295.98
Outside Police Services	89,116.19
Due Animal Control Fund	5,281.22
Due Municipal Open Space Trust Fund	281,704.63
Due Federal & State Grant Fund	107,395.61
Due General Capital Fund	522,808.70
Due Utility Operating Fund	365,539.86
Due to County - Poll Workers	11,350.00
	38,894,557.71
Total Disbursements	38,894,557.71
Balance, December 31, 2016	\$ 1,489,728.92

TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2016

Tax Collector	\$ 100.00
Municipal Clerk	<u>300.00</u>
Total	<u>\$ 400.00</u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	ADDED TAXES	2015 COLLECTED	2016	DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	TRANSFER TO TAX TITLE LIENS	CANCELED/ REMITTED	BALANCE DECEMBER 31, 2016
2012	\$ 0.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.03	\$ -	\$ -	\$ -
2014	133.46	-	-	-	-	-	-	133.46	-	-
2015	434,711.87	-	2,022.89	-	318,375.26	(3,250.00)	107,120.40	13,069.80	1,043.30	376.00
Total	434,845.36	-	2,022.89	-	318,375.26	(3,250.00)	107,120.43	13,203.26	1,043.30	376.00
2016	-	34,106,275.21	415,374.30	161,384.87	33,375,434.07	87,000.00	66,589.25	16,363.87	411,633.79	403,243.66
Total	\$ 434,845.36	\$ 34,106,275.21	\$ 417,397.19	\$ 161,384.87	\$ 33,693,809.33	\$ 83,750.00	\$ 173,709.68	\$ 29,567.13	\$ 412,677.09	\$ 403,619.66

Cash Receipts	\$ 33,928,445.42
Tax Overpayments	(234,636.09)
Total	\$ 33,693,809.33

ANALYSIS OF 2016 PROPERTY TAX LEVY

General Purpose Tax	\$ 34,106,275.21
Added & Omitted Taxes (54-4-6 et seq)	415,374.30
Total	\$ 34,521,649.51
TAX LEVY:	
Local District School Tax	\$ 13,790,799.00
Regional High School Tax	8,130,749.00
County Taxes	
Due County for Added & Omitted Taxes	8,188,936.89
Municipal Open Space	104,548.43
Due Open Space Trust for Added & Omitted Taxes	318,150.00
Local Tax for Municipal Purposes	3,992.29
Additional Taxes Levied	3,775,100.00
Total	\$ 34,521,649.51

TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015	\$	18,585.58
Increased by:		
Transfers From Taxes Receivable	\$	29,567.13
Interest & Cost on Tax Sale		475.13
		<u>30,042.26</u>
Subtotal		48,627.84
Decreased by:		
Collections		-
Cancellations		718.82
		<u>718.82</u>
Balance, December 31, 2016	\$	<u><u>47,909.02</u></u>

TOWNSHIP OF EAST GREENWICH
 CURRENT FUND
 SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
 SENIOR CITIZEN AND VETERANS' DEDUCTIONS
 YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015		\$	9,000.00
Increased by:			
Deductions per Tax Billing	\$	85,250.00	
Deductions Allowed by Tax Collector		3,000.00	88,250.00
			<hr/>
			97,250.00
Decreased by:			
2016 Deductions Disallowed by Tax Collector		750.00	
2015 Deductions Disallowed by Tax Collector		3,750.00	
Collections		83,250.00	87,750.00
			<hr/>
Balance, December 31, 2016		\$	<u>9,500.00</u>

TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	ACCRUED IN 2016	COLLECTED	BALANCE DECEMBER 31, 2016
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -
Other	-	2,162.00	2,162.00	-
Fees and Permits	-	44,920.00	44,920.00	-
Fines & Costs - Municipal Court	12,182.36	184,123.75	166,784.29	29,521.82
Interest & Costs on Taxes	-	99,567.17	99,567.17	-
Interest on Investments & Deposits	-	10,328.74	10,328.74	-
Cable Television Franchise Fee	-	36,324.29	36,324.29	-
Energy Receipts Tax	-	1,837,333.00	1,837,333.00	-
Uniform Construction Code Fees	-	372,986.00	372,986.00	-
Other Special Items:				
Interlocal Agreements:				
Crossing Guards - East Greenwich School District	-	67,692.21	67,692.21	-
Zoning Officer - Paulsboro Borough	-	1,500.00	1,500.00	-
Construction Code - Paulsboro Borough	-	-	-	-
Joint Municipal Court - Woodbury	-	277,190.80	277,190.80	-
Lease - US Postal Service	5,000.00	60,000.00	60,000.00	5,000.00
Gloucester County - Reimbursement for Tax Map	-	8,012.00	8,012.00	-
FEMA Reimbursement	-	236,784.07	236,784.07	-
Reserve for FEMA Storm Reimbursement	-	162,517.30	162,517.30	-
PILOT	-	20,171.50	20,171.50	-
Sale of Equipment - Mantua Township	-	60,000.00	60,000.00	-
Total Revenues	<u>\$ 17,182.36</u>	<u>\$ 3,491,612.83</u>	<u>\$ 3,474,273.37</u>	<u>\$ 34,521.82</u>

Cash Receipts	\$ 3,303,744.07
Reserve Balance	<u>170,529.30</u>
	<u>\$ 3,474,273.37</u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 106,126.35
Increased by:	
2016 Appropriations	<u>232,008.91</u>
	338,135.26
Decreased by:	
Transferred to Appropriation Reserves	<u>105,551.90</u>
Balance, December 31, 2016	<u><u>\$ 232,583.36</u></u>

**SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 2,168.45
Increased by:	
2015 Appropriation Reserves	<u>-</u>
Balance, December 31, 2016	<u><u>\$ 2,168.45</u></u>

TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES - N.J.S. 40A:4-53 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2016

PURPOSE	DATE AUTHORIZED	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2015	ADDED IN 2016	RAISED IN 2016 BUDGET	BALANCE DECEMBER 31, 2016
Repairs to Roads Due to Flood Damage	9/13/2011	120,000.00	24,000.00	\$ 16,000.00	\$ -	\$ 16,000.00	\$ -
Total				\$ 16,000.00	\$ -	\$ 16,000.00	\$ -

SCHEDULE OF DEFERRED CHARGES - EMERGENCY APPROPRIATIONS
YEAR ENDED DECEMBER 31, 2016

PURPOSE	DATE AUTHORIZED	BALANCE DECEMBER 31, 2015	ADDED IN 2016	RAISED IN 2016 BUDGET	BALANCE DECEMBER 31, 2016
Storm Damage Emergency	7/28/2015	\$ 344,364.38	\$ -	\$ 344,364.38	\$ -
Total		\$ 344,364.38	\$ -	\$ 344,364.38	\$ -

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015			BALANCE AFTER		
	<u>RESERVED</u>	<u>ENCUMBERED</u>		<u>TRANSFERS</u>	<u>EXPENDED</u>	
General Government:						
General Administration:						
Salaries and Wages	\$ 10,973.72	\$ -	\$ 10,973.72	\$ -	\$ 10,973.72	
Other Expenses	2,438.86	7,567.60	9,990.46	8,152.34	1,838.12	
Municipal Clerk						
Codification of Ordinances - Other Expenses	450.00	1,307.26	1,757.26	530.83	1,226.43	
Financial Administration:						
Other Expenses	99.40	-	99.40	-	99.40	
Collection of Taxes:						
Salaries and Wages	3,712.45	-	3,712.45	-	3,712.45	
Other Expenses	4,425.63	-	4,425.63	-	4,425.63	
Legal Services and Costs:						
Other Expenses	6,700.53	5,000.00	23,700.53	21,367.52	2,333.01	
Engineering Services:						
Other Expenses	6,408.60	-	6,408.60	3,460.63	2,947.97	
Insurance:						
Employee Group Health	2,171.39	-	2,171.39	-	2,171.39	
Health Benefit Waivers	1,600.00	-	1,600.00	-	1,600.00	
Public Buildings & Grounds:						
Salaries and Wages	1,311.08	-	1,311.08	-	1,311.08	
Other Expenses	2,336.14	6,658.00	8,994.14	8,199.55	794.59	
Environmental Commission:						
Salaries and Wages	425.00	-	425.00	-	425.00	
Other Expenses	80.00	-	80.00	-	80.00	
Planning Board:						
Salaries and Wages	5.10	-	5.10	-	5.10	
Other Expenses	3,018.87	-	3,018.87	1,130.00	1,888.87	
Zoning Officer:						
Other Expenses	100.00	-	100.00	-	100.00	
Property Maintenance:						
Other Expenses	10,000.00	-	10,000.00	-	10,000.00	
Fire:						
Other Expenses	348.60	657.50	1,006.10	998.21	7.89	
Police:						
Salaries and Wages	109,209.12	-	109,209.12	788.38	108,420.74	
Other Expenses	172.74	16,659.46	16,832.20	13,371.92	3,460.28	
Emergency Management Services:						
Salaries and Wages	1,525.00	-	1,525.00	-	1,525.00	
Municipal Court:						
Salaries and Wages	3,255.95	-	3,255.95	-	3,255.95	
Other Expenses	638.24	138.60	776.84	-	776.84	
Public Defender:						
Salaries and Wages	239.42	150.00	389.42	150.00	239.42	
Prosecutor:						
Salaries and Wages	1,533.39	-	1,533.39	-	1,533.39	
Road Repairs & Maintenance:						
Salaries and Wages	18,123.67	-	18,123.67	-	18,123.67	
Other Expenses	3,318.19	6,134.13	9,452.32	9,319.31	133.01	
Fleet Maintenance:						
Other Expenses	1,438.95	2,167.03	3,605.98	3,190.69	415.29	
Street Lighting						
Other Expenses	17,094.02	-	17,094.02	10,330.35	6,763.67	
Garbage and Trash Removal:						
Salaries and Wages	18,987.08	-	3,987.08	3,987.08	-	
Other Expenses	-	23,386.56	38,386.56	38,386.56	-	
Vehicle Maintenance:						
Other Expenses	-	9,898.36	9,898.36	9,898.36	-	
Shade Tree:						
Other Expenses	372.58	-	372.58	-	372.58	