



HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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www.hfacpas.com

December 3, 2019

Ms. Elizabeth McGill  
Township of East Greenwich  
159 Democrat Road  
Mickleton, New Jersey 08056

RECEIVED  
DEC - 6 2019  
EAST GREENWICH TOWNSHIP  
CLERK'S OFFICE

Dear Ms. McGill:

Please find enclosed fifteen (15) bound copies, and one (1) unbound copy of our report on the examination of the financial statements and supplementary data of the Township of East Greenwich, County of Gloucester, for the year ended December 31, 2018 together with our comments and recommendations. One copy of the audit has been sent to the Division of Local Government Services.

Also enclosed are the report of the Municipal Court for the year ended December 31, 2018, and the Animal Control Activity report which should be retained in your permanent files.

The provisions of *N.J.S.40A:5-7* requires you to publish at least once in the official newspaper of the Municipality a synopsis of all audits with recommendations. In order to assist you in complying with this requirement, the enclosed synopsis of our audit has been prepared together with our recommendations.

We have emailed your audit report for your files. This report should be used for submission, to the Electronic Municipal Market Access (EMMA) on the Website [emma.msrb.org](http://emma.msrb.org), if applicable and to any other agencies that may also request an electronic copy.

As part of our commitment to outstanding client service, we are asking you to take a moment to complete a confidential client engagement survey using the link provided in the email sent to you.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
No. CR473

MH/lb  
Encls.





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

We have audited the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of East Greenwich, as of December 31, 2018 and 2017 and the related statement of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 1, 2019. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies in accordance with accounting policies prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The significant accounting policies used by the Township are described in Note 1 to the financial statements.

We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.



### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 3, 2019.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Auditing findings that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey can be found in the Schedule of Financial Statement Findings section of the audit. This section identifies any significant deficiencies, material weaknesses or instances of noncompliance related to the basic financial statements

We have also submitted a Letter of Comments and Recommendations section which is a separate report required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey where we report certain other findings that should be brought to the attention of the governing body but are not required to be reported under *Governmental Accounting Standards*. We would also provide our recommendation to each finding.

### **Other Matters**

With respect to the supplemental schedules of the various funds accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles and practices prescribed by the Division of



Local Government Services, Department of Community Affairs, State of New Jersey, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements.

We compared and reconciled the supplementary schedules of the various funds to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

**Restriction on Use**

This information is intended solely for the use of the governing body and management of the Township of East Greenwich is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**



Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 473

Medford, New Jersey  
December 3, 2019



**TOWNSHIP OF EAST GREENWICH**

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



**EAST GREENWICH TOWNSHIP  
COUNTY OF GLOUCESTER, NEW JERSEY  
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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, 2018**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of East Greenwich  
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, 2018 and 2017, and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2018, 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 opinions.

**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 U.S. Generally Accepted Accounting Principles**

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, 2018, or the results of its operations and changes in fund balance for the year 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 of the Township, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2018 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

**Emphasis of Matter**

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the year ended December 31, 2018 the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, & 74. Our opinion is not modified with respect to this matter.

## Other Matters

### Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and schedules 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 financial statements of each of the respective individual funds and account group taken as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2019, 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.**



Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
CR #473

December 3, 2019  
Medford, New Jersey

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

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

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, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated December 3, 2019. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the

accompanying schedule of financial statement findings that we consider to be material weaknesses as Finding Nos. 2018-001, 2018-002, 2018-003 and 2018-004.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of financial statement findings as Finding Nos. 2018-001, 2018-002, 2018-003 and 2018-004.

### **Township of East Greenwich's Response to Findings**

The Township of East Greenwich's response to the findings identified in our audit is described in the accompanying schedule of financial statement findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township'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 Township'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 No. 473

Medford, New Jersey  
December 3, 2019

**FINANCIAL STATEMENTS**

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**TOWNSHIP OF EAST GREENWICH  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

	REFERENCE	2018	2017
<b>ASSETS</b>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 1,661,772.16	\$ 3,896,946.00
Change Fund	A-5	700.00	400.00
Total		<u>1,662,472.16</u>	<u>3,897,346.00</u>
Receivables & Other Assets Without Full Reserves:			
Due from State of NJ - Senior Citizens' and Veterans Deductions	A-8	12,750.00	10,750.00
Total Receivables & Other Assets Without Full Reserves		<u>12,750.00</u>	<u>10,750.00</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-6	366,341.29	446,612.55
Tax Title Liens Receivable	A-7	75,333.92	42,320.30
Revenue Accounts Receivable	A-9	24,009.47	29,084.48
Prepaid Local School Taxes	A-18	6.00	-
Due From Other Trust Fund	B	1,730.10	13,705.23
Due from Animal Control	B	6,836.36	6,836.36
Due from General Capital Fund	C	345,191.27	-
Due From Water/Sewer Utility Operating Fund	D	126,099.56	38,108.91
Total Receivables & Other Assets With Full Reserves		<u>945,547.97</u>	<u>576,667.83</u>
Deferred Charges:			
Over-Expenditure of Grants	A-12	780.82	-
Over-Expenditure of Appropriation	A-12	9,474.28	-
Total		<u>10,255.10</u>	<u>-</u>
Total Regular Funds		<u>2,631,025.23</u>	<u>4,484,763.83</u>
Federal & State Grants:			
Due From Current Fund	A-25	320,588.38	218,014.00
Federal and State Grants Receivable	A-26	129,712.60	82,291.27
Total State & Federal Grants		<u>450,300.98</u>	<u>300,305.27</u>
Total Assets		<u>\$ 3,081,326.21</u>	<u>\$ 4,785,069.10</u>

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

**TOWNSHIP OF EAST GREENWICH  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

	REFERENCE	2018	2017
<b>LIABILITIES RESERVES &amp; FUND BALANCE</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 198,232.89	\$ 286,553.54
Reserve for Encumbrances	A-10	241,090.28	311,092.00
Accounts Payable	A-11	5,191.53	-
Local School District Tax Payable	A-18	-	13,531.00
Prepaid Taxes	A-16	331,135.34	1,832,373.63
Tax Overpayments	A-17	50,939.51	78,993.13
Due Regional High School Taxes Payable	A-19	0.82	0.78
Due County for Added and Omitted Taxes	A-21	44,206.10	61,043.06
Due State of New Jersey - DCA Fees	A-22	8,021.00	9,446.00
Due to State - Marriage Licenses	A-23	1,700.00	1,398.00
Reserve for FEMA - Storm Reimbursement	A-4	-	-
Reserve for Outside Police Employment	A-4	-	-
Reserve for Unidentified Receipts	A-4	-	-
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	320,588.38	218,014.00
Due to Municipal Open Space Trust Fund	B	3,577.03	24,939.86
Due to General Capital Fund	C	-	149,703.41
Due to Water/Sewer Utility Capital Fund	D	6,684.21	-
Subtotal Regular Fund		<u>1,214,158.09</u>	<u>2,989,879.41</u>
Reserve for Receivables & Other Assets	A	945,547.97	576,667.83
Fund Balance	A-1	<u>471,319.17</u>	<u>918,216.59</u>
Total Regular Fund		<u>2,631,025.23</u>	<u>4,484,763.83</u>
State & Federal Grants:			
Reserve for Federal & State Grants:			
Appropriated Reserves	A-27	399,740.67	261,730.03
Unappropriated Reserves	A-28	19,956.42	27,989.84
Encumbrances	A-29	21,668.49	1,650.00
Due to General Capital Fund	C	8,935.40	8,935.40
Total State & Federal Grants		<u>450,300.98</u>	<u>300,305.27</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 3,081,326.21</u>	<u>\$ 4,785,069.10</u>

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

**TOWNSHIP OF EAST GREENWICH  
CURRENT FUND  
STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	REFERENCE	2018	2017
<b>Revenue &amp; Other Income Realized:</b>			
Fund Balance Utilized	A-2	\$ 730,609.00	\$ 292,123.00
Miscellaneous Revenue Anticipated	A-2	3,801,621.07	4,291,102.25
Receipts From Delinquent Taxes	A-2	481,549.49	380,360.95
Receipts From Current Taxes	A-2	35,189,628.95	34,430,610.54
Non-Budget Revenue	A-2,A-9	44,831.78	169,958.76
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	240,372.56	208,010.92
Prior Year Interfund Returned	A	-	200,865.72
Change Fund Adjustment:	A	300.00	-
<b>Total Revenue and Other Income Realized</b>		<b>40,488,912.85</b>	<b>39,973,032.14</b>
<b>Expenditures:</b>			
Operations Within "CAPS"			
Salaries & Wages	A-3	2,403,924.28	2,534,750.00
Other Expenses	A-3	2,736,050.00	2,611,050.00
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	693,130.00	720,168.00
Operations Excluded From "CAPS":			
Salaries & Wages	A-3	200,000.00	170,000.00
Other Expenses	A-3	830,401.78	940,435.68
Capital Improvements Excluded from "CAPS"	A-3	231,000.00	180,000.00
Municipal Debt Service Excluded from "CAPS"	A-3	917,844.20	865,765.34
Deferred Charges - Municipal - Excluded from "CAPS"	A-3	-	-
Local School Taxes	A-19	14,309,251.00	14,287,485.00
Regional High School Taxes	A-20	8,436,004.00	8,204,228.00
County Taxes	A-20	8,573,294.44	8,169,108.79
Due County for Added and Omitted Taxes	A-21	44,206.10	61,043.06
Local Municipal Open Spaces Taxes	A-6	319,755.50	320,471.50
Reserve for Prepaid Local School Taxes	A	6.00	-
Interfunds Created	A	519,808.25	-
Adjustment to Tax Overpayments	A	-	-
<b>Total Expenditures</b>		<b>40,214,675.55</b>	<b>39,064,505.37</b>
<b>Excess/(Deficit) in Revenue</b>		<b>274,237.30</b>	<b>908,526.77</b>
<b>Adjustment to Income Before Fund Balance:</b>			
Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Year	A-3	9,474.28	-
<b>Statutory Excess to Fund Balance</b>		<b>283,711.58</b>	<b>908,526.77</b>
<b>Fund Balance January 1</b>	A	<b>918,216.59</b>	<b>301,812.82</b>
<b>Total</b>		<b>1,201,928.17</b>	<b>1,210,339.59</b>
Decreased by: Utilization as Anticipated Revenue	A-1,A-2	730,609.00	292,123.00
<b>Fund Balance December 31</b>	A	<b>\$ 471,319.17</b>	<b>\$ 918,216.59</b>

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, 2018**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance	\$ 730,609.00	\$ -	\$ 730,609.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00	-	10,250.00	250.00
Other	2,500.00	-	2,639.00	139.00
Fees and Permits	80,000.00	-	84,494.18	4,494.18
Fines & Costs - Municipal Court	170,000.00	-	154,804.27	(15,195.73)
Interest & Costs on Taxes	106,000.00	-	108,407.75	2,407.75
Interest on Investments & Deposits	7,500.00	-	24,266.99	16,766.99
Cable Television Franchise Fee	39,000.00	-	42,752.96	3,752.96
Energy Receipts Tax	1,837,333.00	-	1,837,333.00	-
Uniform Construction Code Fees	430,000.00	-	494,827.15	64,827.15
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	24,300.00	-	24,300.00	-
Alcohol Education and Rehabilitation Fund	-	366.16	366.16	-
Clean Communities	-	21,026.62	21,026.62	-
Municipal Alliance on Alcoholism and Drug Abuse	-	13,284.00	13,284.00	-
Swedesboro Avenue Phase II	-	270,000.00	270,000.00	-
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	70,000.00	-	76,314.30	6,314.30
Joint Municipal Court - Woodbury	329,000.00	-	251,824.97	(77,175.03)
Interfund Receivable - Water/Sewer Operating	38,109.00	-	38,109.00	-
Interfund Receivable - COAH	5,806.00	-	5,806.00	-
PILOT	48,000.00	-	194,894.86	146,894.86
Reserve for Payment of Debt	29,299.00	-	29,299.00	-
Lease Revenues - United States Postal Service	60,000.00	-	60,000.00	-
Police Outside Vehicle Use	30,000.00	-	50,195.86	20,195.86
Total Miscellaneous Revenues	3,323,272.00	304,676.78	3,801,621.07	173,672.29
Receipts From Delinquent Taxes	408,787.00	-	481,549.49	72,762.49
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	3,775,373.00	-	4,046,803.91	271,430.91
Budget Totals	8,238,041.00	304,676.78	9,060,583.47	517,865.69
Nonbudget Revenues	-	-	44,831.78	44,831.78
Total	\$ 8,238,041.00	\$ 304,676.78	\$ 9,105,415.25	\$ 562,697.47

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, 2018**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 35,189,628.95
Less: School, County Taxes & Municipal Open Space Taxes	<u>31,682,511.04</u>
Balance for Support of Municipal Budget Appropriations	3,507,117.91
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>539,686.00</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 4,046,803.91</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 440,196.51
Tax Title Liens Receivable	<u>41,352.98</u>
Total Receipts From Delinquent Taxes	<u>\$ 481,549.49</u>

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:	
Solicitor Permits	\$ 2,350.00
County - Polling Place Rental	700.00
Photocopies	80.98
Property Lists	220.00
Rent - Farmland	2,311.69
Municipal Annex Usage - County EMS	9,378.22
Senior Citizens & Veterans Administrative Fee	1,611.92
Miscellaneous	<u>28,178.97</u>
	<u>\$ 44,831.78</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, 2018**

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED	OVER-EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED			
<b>OPERATIONS WITHIN "CAPS"</b>							
<b>General Government:</b>							
Administrative and Executive							
Salaries and Wages	\$ 65,000.00	\$ 63,200.00	\$ 63,117.99	\$ -	\$ 82.01	\$ -	\$ -
Other Expenses	20,500.00	25,000.00	24,106.27	431.54	462.19	-	0
Governing Body:							
Salaries and Wages	32,500.00	32,500.00	32,219.76	-	280.24	-	-
Municipal Clerk							
Codification of Ordinances - Other Expenses	2,500.00	2,500.00	1,709.83	790.17	-	-	-
Financial Administration							
Salaries and Wages	42,000.00	26,000.00	25,843.19	-	156.81	-	-
Other Expenses	11,600.00	11,600.00	8,594.86	2,245.05	760.09	-	-
Annual Audit	25,000.00	25,000.00	25,000.00	-	-	-	-
Collection of Taxes							
Salaries and Wages	71,000.00	61,000.00	57,737.19	-	3,262.81	-	-
Other Expenses	18,100.00	24,100.00	13,813.13	6,256.28	2,030.59	-	-
Legal Services and Costs:							
Other Expenses	80,000.00	75,000.00	59,055.96	2,665.50	13,278.54	-	-
Engineering Services Costs:							
Other Expenses	25,000.00	74,000.00	22,388.13	30,346.25	21,265.62	-	-
Insurance							
Employee Group Health	900,000.00	880,000.00	864,740.87	126.50	15,132.63	-	-
Workers Compensation	128,000.00	126,500.00	126,080.00	-	420.00	-	-
General Liability	65,000.00	65,000.00	64,394.00	-	606.00	-	-
Public Buildings and Grounds							
Salaries and Wages	36,000.00	36,000.00	35,809.40	-	190.60	-	-
Others Expenses	20,000.00	20,000.00	14,647.16	3,136.83	2,216.01	-	-
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	-	-	500.00	-	-
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board:							
Salaries and Wages	14,500.00	14,500.00	14,002.64	-	497.36	-	-
Other Expenses	4,000.00	4,000.00	2,887.74	909.20	203.06	-	-
Zoning Officer							
Salaries and Wages	8,000.00	8,000.00	7,688.52	-	311.48	-	-
Other Expenses	100.00	100.00	-	-	100.00	-	-

**TOWNSHIP OF EAST GREENWICH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2018**

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED	OVER-EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED			
<b>Public Safety</b>							
Fire							
Other Expenses	50,000.00	88,000.00	44,107.14	43,842.42	50.44	-	-
Police							
Salaries and Wages	1,750,000.00	1,597,350.00	1,604,900.24	-	-	-	7,550.24
Other Expenses	250,000.00	356,000.00	352,431.38	2,010.55	1,558.07	-	-
Emergency Management Services							
Salaries and Wages	3,000.00	3,100.00	3,084.11	-	15.89	-	-
Other Expenses	8,500.00	8,400.00	5,217.98	3,103.98	78.04	-	-
Municipal Court							
Salaries and Wages	101,000.00	105,900.00	107,824.04	-	-	-	1,924.04
Other Expenses	20,000.00	20,000.00	13,700.55	152.64	6,146.81	-	-
Public Defender							
Salaries and Wages	15,000.00	9,000.00	8,814.50	-	185.50	-	-
Other Expenses	2,000.00	1,000.00	-	-	1,000.00	-	-
Prosecutor							
Salaries and Wages	20,000.00	16,000.00	15,344.09	-	655.91	-	-
Other Expenses	2,500.00	500.00	-	-	500.00	-	-
<b>Streets and Roads</b>							
Road Repairs & Maintenance:							
Salaries and Wages	242,000.00	227,000.00	225,643.67	-	1,356.33	-	-
Other Expenses	60,000.00	55,000.00	36,901.97	17,035.08	1,062.95	-	-
Fleet Maintenance							
Other Expenses	60,000.00	60,000.00	42,254.70	17,445.86	299.44	-	-
Street Lighting							
Other Expenses	125,000.00	141,000.00	129,204.65	-	11,795.35	-	-
Garbage and Trash Removal							
Other Expenses	350,000.00	345,000.00	311,303.89	30,904.06	2,792.04	-	-
<b>Health and Welfare</b>							
Shade Tree							
Other Expenses	1,500.00	1,500.00	654.57	-	845.43	-	-
<b>Recreation and Education</b>							
Recreation							
Salaries and Wages	3,200.00	3,200.00	3,121.20	-	78.80	-	-
Other Expenses	15,000.00	15,000.00	10,790.15	2,870.77	1,339.08	-	-
Senior Citizens Program							
Other Expenses	1,000.00	1,000.00	552.50	447.50	-	-	-

**TOWNSHIP OF EAST GREENWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018**

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED	OVER-EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED			
<b>Code Enforcement</b>							
Construction Code Official	99,000.00	99,500.00	99,444.74	-	55.26	-	-
Salaries and Wages	17,950.00	50,950.00	48,617.14	1,872.23	460.63	-	-
Other Expenses							
Subcode Officials							
Salaries and Wages:							
Building Inspector	28,000.00	24,500.00	24,331.98	-	168.02	-	-
Plumbing Inspector	24,000.00	24,000.00	23,662.05	-	337.95	-	-
Fire Inspector	14,500.00	14,500.00	14,045.40	-	454.60	-	-
<b>Unclassified</b>							
Electricity	75,000.00	69,000.00	61,607.89	-	7,392.11	-	-
Telephone	50,000.00	56,400.00	53,527.90	2,492.04	380.06	-	-
Natural Gas	50,000.00	28,000.00	15,418.68	237.07	12,344.25	-	-
Gasoline	85,000.00	91,000.00	83,545.94	6,928.30	525.76	-	-
Accumulated Absences	10,000.00	10,000.00	-	-	10,000.00	-	-
<b>Interlocal Service Agreements</b>							
Construction Code Official - Paulsboro	20,000.00	28,500.00	27,524.44	-	975.56	-	-
Salaries and Wages	5,000.00	5,000.00	3,956.89	500.00	543.11	-	-
Other Expenses							
<b>Total Operations including Contingent - Within "CAPS"</b>	<b>5,128,150.00</b>	<b>5,130,500.00</b>	<b>4,837,371.02</b>	<b>176,749.82</b>	<b>125,853.43</b>	<b>-</b>	<b>9,474.28</b>
<b>Detail:</b>							
Salaries and Wages	2,589,400.00	2,394,450.00	2,394,159.15	-	9,765.13	-	9,474.28
Other Expenses	2,538,750.00	2,736,050.00	2,443,211.87	176,749.82	116,088.30	-	-
<b>Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":</b>							
Contribution to:							
Social Security (O.A.S.I.)	200,000.00	198,700.00	191,825.71	-	6,874.29	-	-
Police & Fire Retirement System	345,122.00	345,122.00	345,122.00	-	-	-	-
Public Employees Retirement System	140,358.00	140,358.00	140,357.74	-	0.26	-	-
Defined Contribution Retirement Program	5,000.00	5,000.00	4,876.54	-	123.46	-	-
Unemployment Insurance	5,000.00	3,950.00	-	-	3,950.00	-	-
<b>Total Deferred Charges &amp; Statutory Expenditures Within "CAPS"</b>	<b>695,480.00</b>	<b>693,130.00</b>	<b>682,181.99</b>	<b>-</b>	<b>10,948.01</b>	<b>-</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>5,823,630.00</b>	<b>5,823,630.00</b>	<b>5,519,555.01</b>	<b>176,749.82</b>	<b>136,801.44</b>	<b>-</b>	<b>9,474.28</b>

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, 2018**

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED	OVER-EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED			
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>							
Recycling Tax	5,000.00	5,000.00	5,000.00	-	-	-	-
Shared Service Agreements:							
Trash Collection Logan Township	400,000.00	400,000.00	324,000.00	32,400.00	43,600.00	-	-
Information & Technology - Kingsway Regional School District	30,000.00	30,000.00	17,025.00	-	12,975.00	-	-
Crossing Guards - East Greenwich School District	20,000.00	20,000.00	18,977.41	-	1,022.59	-	-
Joint Municipal Court - Woodbury							
Salaries and Wages	175,000.00	200,000.00	197,973.47	-	2,026.53	-	-
Other Expenses	65,000.00	40,000.00	37,099.74	2,683.87	216.39	-	-
<b>Public and Private Programs Offset by Revenues:</b>							
Recycling Tonnage Grant	24,300.00	24,300.00	24,300.00	-	-	-	-
Alcohol Education and Rehabilitation Fund	-	366.16	366.16	-	-	-	-
Clean Communities	-	21,026.62	21,026.62	-	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse							
State Share	-	13,284.00	13,284.00	-	-	-	-
Swedesboro Avenue Phase II	-	270,000.00	270,000.00	-	-	-	-
JIF Safety Program	2,500.00	2,500.00	2,500.00	-	-	-	-
JIF Wellness Budget	1,000.00	1,000.00	1,000.00	-	-	-	-
JIF Safety Incentive Program	2,925.00	2,925.00	2,925.00	-	-	-	-
<b>Total Operations Excluded From "CAPS"</b>	<b>725,725.00</b>	<b>1,030,401.78</b>	<b>935,477.40</b>	<b>35,083.87</b>	<b>59,840.51</b>	<b>-</b>	<b>-</b>
<b>Detail:</b>							
Salaries and Wages	175,000.00	200,000.00	197,973.47	-	2,026.53	-	-
Other Expenses	550,725.00	830,401.78	737,503.93	35,083.87	57,813.98	-	-

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, 2018

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED	OVER-EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED			
Capital Improvements - Excluded from "CAPS"							
Fire Department Building	100,000.00	100,000.00	98,409.06	-	1,590.94	-	-
Purchase of Pole Barn	22,500.00	22,500.00	22,500.00	-	-	-	-
Purchase of Salt Shed	43,500.00	43,500.00	43,500.00	-	-	-	-
Road Resturfacing	65,000.00	65,000.00	36,317.86	28,682.14	-	-	-
<b>Total Capital Improvements - Excluded from "CAPS"</b>	<b>231,000.00</b>	<b>231,000.00</b>	<b>200,726.92</b>	<b>28,682.14</b>	<b>1,590.94</b>	<b>-</b>	<b>-</b>
Municipal Debt Service - Excluded from "CAPS":							
Payment of Bond Principal	567,500.00	567,500.00	567,447.00	-	-	53.00	-
Payment of Bond Anticipation Notes and Capital Notes	65,000.00	65,000.00	65,000.00	-	-	-	-
Interest on Bonds	269,000.00	269,000.00	268,912.68	-	-	87.32	-
Interest on Notes	16,500.00	16,500.00	16,484.52	-	-	15.48	-
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>918,000.00</b>	<b>918,000.00</b>	<b>917,844.20</b>	<b>-</b>	<b>-</b>	<b>155.80</b>	<b>-</b>
Total General Appropriations Excluded from "CAPS"	1,874,725.00	2,179,401.78	2,054,048.52	63,766.01	61,431.45	155.80	-
Subtotal General Appropriations	7,698,355.00	8,003,031.78	7,573,601.53	240,515.83	198,232.89	155.80	9,474.28
Reserve For Uncollected Taxes	539,686.00	539,686.00	539,686.00	-	-	-	-
<b>Total General Appropriations</b>	<b>\$ 8,238,041.00</b>	<b>\$ 8,542,717.78</b>	<b>\$ 8,113,287.53</b>	<b>\$ 240,515.83</b>	<b>\$ 198,232.89</b>	<b>\$ 155.80</b>	<b>\$ 9,474.28</b>
Original Budget	\$ 8,238,041.00						
Appropriation by N.J.S.A. 40A:4-87	<u>304,676.78</u>						
<b>Total</b>	<b>\$ 8,542,717.78</b>						
Reserve for Federal & State Grants		\$ 335,401.78					
Reserve for Uncollected Taxes		539,686.00					
Budget Reimbursements		(104,647.36)					
Cash Disbursements		<u>7,447,494.47</u>					
		<b>\$ 8,113,287.53</b>					

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

**TOWNSHIP OF EAST GREENWICH  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Animal Control Fund:			
Cash	B-3	\$ 25,720.76	\$ 30,089.86
Total Animal Control Fund		<u>25,720.76</u>	<u>30,089.86</u>
Open Space Trust Fund:			
Cash	B-3	75,268.75	65,904.68
Due Current Fund	B-9	<u>3,577.03</u>	<u>24,939.86</u>
Total Open Space Trust Fund		<u>78,845.78</u>	<u>90,844.54</u>
Other Trust Funds:			
Cash	B-3	<u>1,000,169.19</u>	<u>1,058,790.06</u>
Total Other Trust Funds		<u>1,000,169.19</u>	<u>1,058,790.06</u>
Total Assets		<u><u>\$ 1,104,735.73</u></u>	<u><u>\$ 1,179,724.46</u></u>
 LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	\$ 18,884.40	\$ 23,253.50
Due to Current Fund	A	<u>6,836.36</u>	<u>6,836.36</u>
Total Animal Control Fund		<u>25,720.76</u>	<u>30,089.86</u>
Municipal Open Space Trust Fund:			
Reserve for Open Space	B-6	14,237.86	21,550.30
Reserve for Encumbrances	B-8	-	4,686.32
Due General Capital Fund	C	<u>64,607.92</u>	<u>64,607.92</u>
Total Municipal Open Space Trust Fund		<u>78,845.78</u>	<u>90,844.54</u>
Other Trust Funds:			
Miscellaneous Reserves	B-10	998,439.09	1,045,084.83
Due to Current Fund	A	<u>1,730.10</u>	<u>13,705.23</u>
Total Other Trust Funds		<u>1,000,169.19</u>	<u>1,058,790.06</u>
Total		<u><u>\$ 1,104,735.73</u></u>	<u><u>\$ 1,179,724.46</u></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, 2018**

	BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 318,150.00	\$ 319,755.50	\$ 1,605.50
Miscellaneous	5,000.00	11,145.27	6,145.27
	<u>\$ 323,150.00</u>	<u>\$ 330,900.77</u>	<u>\$ 7,750.77</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, 2018

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
Maintenance of Lands for Recreation and Conservation:					
Salaries & Wages	\$ 45,000.00	\$ 33,000.00	\$ 27,824.98	\$ -	\$ 5,175.02
Other Expenses	66,550.00	78,550.00	77,347.59	-	1,202.41
Debt Service:					
Payment of Bond Principal	147,600.00	147,600.00	147,553.00	-	47.00
Payment of Bond Interest	64,000.00	64,000.00	63,937.34	-	62.66
<b>Total</b>	<b>\$ 323,150.00</b>	<b>\$ 323,150.00</b>	<b>\$ 316,662.91</b>	<b>\$ -</b>	<b>\$ 6,487.09</b>

**TOWNSHIP OF EAST GREENWICH  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Grants Receivable	C-3	\$ 357.20	\$ 357.20
Deferred Charges to Future Taxation:			
Funded	C-4	10,180,000.00	10,895,000.00
Unfunded	C-5	1,394,073.00	1,459,073.00
Due from Current Fund	C-11	-	149,703.41
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>\$ 11,647,973.52</u>	<u>\$ 12,577,676.93</u>
LIABILITIES, RESERVES & FUND BALANCE			
Improvement Authorizations:			
Funded	C-6	\$ 27,382.37	\$ 23,587.81
Unfunded	C-6	144,070.00	210,649.38
Capital Improvement Fund	C-7	37,042.00	56,042.00
Contracts Payable	C-8	1,690.00	403,926.86
Bond Anticipation Notes	C-9	891,526.00	956,526.00
Serial Bonds Payable	C-10	10,180,000.00	10,895,000.00
Reserve for Debt Payments	C	2,645.88	31,944.88
Reserve for Downpayment	C	8,426.00	-
Reserve for Lighting Improvements	C	10,000.00	-
Due to Current Fund	C-11	345,191.27	-
		<u>        </u>	<u>        </u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 11,647,973.52</u>	<u>\$ 12,577,676.93</u>

Bonds and Notes Authorized But Not Issued as of December 31, 2018 was \$502,547.00 and as of December 31, 2017 was \$502,547.00.

**TOWNSHIP OF EAST GREENWICH  
WATER-SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

	REFERENCE	2018	2017
ASSETS			
Operating Fund:			
Cash	D-4	\$ 659,598.14	\$ 950,430.18
Change Fund	D	50.00	50.00
Due from Developer	D	687.00	687.00
Total		<u>660,335.14</u>	<u>951,167.18</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-6	59,947.80	65,296.74
Total Receivables With Full Reserves		<u>59,947.80</u>	<u>65,296.74</u>
Deferred Charges:			
Operating Deficit	D-7	50,548.69	-
Total Deferred Charges		<u>50,548.69</u>	<u>-</u>
Total Operating Fund		<u>770,831.63</u>	<u>1,016,463.92</u>
Capital Fund:			
Cash	D-4	31,623.00	31,623.00
Fixed Capital	D-8	15,616,935.45	15,337,250.45
Fixed Capital Authorized and Uncompleted	D-9	2,357,700.00	77,500.00
NJIB Loan Receivable	D-5	2,204,460.00	-
Due from Current Fund	A	6,684.21	-
Total Capital Fund		<u>20,217,402.66</u>	<u>15,446,373.45</u>
Total Operating & Capital Fund		<u>\$ 20,988,234.29</u>	<u>\$ 16,462,837.37</u>

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

**TOWNSHIP OF EAST GREENWICH  
WATER-SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

	REFERENCE	2018	2017
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 102,157.88	\$ 40,684.66
Reserve for Encumbrances	D-3	73,787.62	147,163.56
Prepaid Rents	D-11	8,223.78	2,351.10
Accrued Interest Payable	D-13	33,772.96	35,821.85
Rent Overpayments	D	3,440.74	2,441.96
Due to Current Fund	D-18	126,099.56	38,108.91
Reserve for Unallocated Receipts	D	19,806.15	-
Subtotal		<u>367,288.69</u>	<u>266,572.04</u>
Reserve for Receivables	D	59,947.80	65,296.74
Fund Balance	D-1	<u>343,595.14</u>	<u>684,595.14</u>
Total Operating Fund		<u>770,831.63</u>	<u>1,016,463.92</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	D-14	77,500.00	77,500.00
Funded	D-14	2,204,460.41	-
Reserve for Encumbrances	D-14	6,683.80	-
Capital Improvement Fund	D-15	32,609.00	32,609.00
Reserve for Amortization	D-16	10,143,949.45	9,589,264.45
Serial Bonds	D-17	5,472,000.00	5,747,000.00
NJIB Loan Payable	D-19	<u>2,280,200.00</u>	<u>-</u>
Total Capital Fund		<u>20,217,402.66</u>	<u>15,446,373.45</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 20,988,234.29</u>	<u>\$ 16,462,837.37</u>

Bonds and Notes Authorized But Not Issued as of December 31, 2018 was \$78,486.00 and as of December 31, 2017 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  
STATEMENTS OF OPERATIONS AND CHANGE IN  
OPERATING FUND BALANCE - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Revenue & Other Income Realized:		
Operating Fund Balance Utilized	\$ 341,000.00	\$ 290,000.00
Rents	2,652,075.19	2,878,018.14
Miscellaneous Revenue Not Anticipated	297,151.94	158,358.25
Other Credits to Income:		
Miscellaneous	-	3,977.70
Unexpended Balance of Appropriation Reserves	39,746.35	44,374.24
	<u>3,329,973.48</u>	<u>3,374,728.33</u>
Total Income		
Expenditures:		
Budget Appropriations:		
Operating	2,599,000.00	2,437,000.00
Capital Improvements	306,000.00	261,000.00
Debt Service	437,251.11	435,491.56
Deferred Charges & Statutory Expenditures	35,000.00	35,000.00
Other Debits to Income:		
Miscellaneous	3,271.06	
	<u>3,380,522.17</u>	<u>3,168,491.56</u>
Total Expenditures		
Excess in Revenue		206,236.77
Operating Deficit to be Raised in Budget of Succeeding Year	50,548.69	
Statutory Excess to Fund Balance	-	206,236.77
Fund Balance January 1	684,595.14	768,358.37
	<u>684,595.14</u>	<u>974,595.14</u>
Total		
Less: Utilized by Operating Budget	341,000.00	290,000.00
	<u>343,595.14</u>	<u>684,595.14</u>
Balance December 31	<u>\$ 343,595.14</u>	<u>\$ 684,595.14</u>

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, 2018**

	BUDGET	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	\$ 341,000.00	\$ 341,000.00	\$ -
Rents	2,879,000.00	2,652,075.19	(226,924.81)
Miscellaneous	158,000.00	297,151.94	139,151.94
Total	<u>\$ 3,378,000.00</u>	<u>\$ 3,290,227.13</u>	<u>\$ (87,772.87)</u>

## Rents:

Consumer Accounts Receivable:  
Rents Collected

\$ 2,652,075.19

Total

\$ 2,652,075.19

**ANALYSIS OF REALIZED REVENUES**

Miscellaneous	
Water Interest & Penalties	\$ 7,006.73
Sewer Interest & Penalties	7,586.88
Water Meters	27,095.75
Water Shut Offs/Turn Ons	350.00
Water Taps	36,392.00
Water & Sewer Connection Fees	215,962.80
Interest on Investments	1,332.78
Other Miscellaneous	1,425.00
Total	<u>\$ 297,151.94</u>

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, 2018**

		BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
	\$	\$	\$	\$	\$
		EXPENDED	ENCUMBERED		
Operating:					
Salaries & Wages	\$ 435,000.00	\$ 425,869.65	\$ -	\$ 9,130.35	\$ -
Other Expenses	420,000.00	344,889.11	47,472.62	27,638.27	-
Gloucester County Utilities Authority	530,000.00	515,077.78	-	14,922.22	-
Other Insurance	102,000.00	102,000.00	-	-	-
New Jersey American Water	900,000.00	879,338.92	-	20,661.08	-
Group Insurance for Employees	212,000.00	187,959.37	-	24,040.63	-
Capital Improvements:					
Capital Outlay	306,000.00	279,685.00	26,315.00	-	-
Debt Service:					
Payment of Bond Principal	275,000.00	275,000.00	-	-	-
Interest on Bonds	163,000.00	162,251.11	-	-	748.89
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	30,000.00	29,234.67	-	765.33	-
Unemployment Compensation Insurance	5,000.00	-	-	5,000.00	-
<b>Total Expenditures</b>	<b>\$ 3,378,000.00</b>	<b>\$ 3,201,305.61</b>	<b>\$ 73,787.62</b>	<b>\$ 102,157.88</b>	<b>\$ 748.89</b>
Interest on Bonds		\$ 162,251.11			
Cash Disbursements		<u>3,039,054.50</u>			
<b>Total</b>		<u><u>\$ 3,201,305.61</u></u>			

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, 2018 AND 2017**

ASSETS	BALANCE DECEMBER 31, 2018	BALANCE DECEMBER 31, 2017
General Fixed Assets:		
Land	\$ 2,657,850.00	\$ 2,657,850.00
Building	5,772,222.00	5,772,222.00
Vehicles	3,979,421.00	3,259,405.00
Equipment	<u>4,075,449.00</u>	<u>3,933,230.00</u>
Total General fixed Assets	<u>\$ 16,484,942.00</u>	<u>\$ 15,622,707.00</u>
Investment in General Fixed Assets	<u>\$ 16,484,942.00</u>	<u>\$ 15,622,707.00</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, 2018**

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**TOWNSHIP OF EAST GREENWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Township of East Greenwich, County of Gloucester, New Jersey (hereafter referred to as 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** - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township 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 State of America applicable to local government units. The more significant differences are explained further in this note.

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

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

**Utility Operating and Capital Funds** – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**TOWNSHIP OF EAST GREENWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its Current and Utility Fund 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<sup>th</sup> of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

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 utilities 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, 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.

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.

**TOWNSHIP OF EAST GREENWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**Inventories and Supplies** - The cost 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 acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The 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. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Utility Fixed Assets** – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Foreclosed property** – Foreclosed Property or "Property Acquired for Taxes" 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 overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**TOWNSHIP OF EAST GREENWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**Fund Balance** – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are 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 revenues when received.

**Utility Revenues** – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Townships utility operating fund.

**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 Gloucester, East Greenwich Township School District and the Kingsway Regional High School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**County Taxes** – The municipality 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<sup>th</sup> 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<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the East Greenwich Township 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 and regional school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**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** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount.