

TOWNSHIP OF EAST GREENWICH

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2019**

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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, 2019**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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 statement 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, 2019, and the related statement of operations and changes in fund balance--regulatory basis for the year then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2019, 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.

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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, 2019, 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 statement 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, 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2019 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 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.

Prior Period Financial Statements

The financial statements as of December 31, 2018, were audited by other auditors whose report dated December 3, 2019, expressed an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2020, 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,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors



Michael Holt
Certified Public Accountant
Registered Municipal Accountant
CR #473

Medford, New Jersey
September 3, 2020

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 3, 2020. 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

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accompanying schedule of financial statement findings that we consider to be material weaknesses as Finding Nos. 2019-001, 2019-002 and 2019-003.

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. 2019-001, 2019-002 and 2019-003.

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.

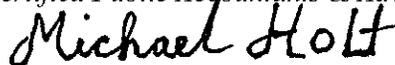
Purpose of this Report

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,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors



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

Medford, New Jersey
September 3, 2020

FINANCIAL STATEMENTS

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**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

	REFERENCE	<u>2019</u>	<u>2018</u>
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 1,323,016.09	\$ 1,661,772.16
Change Fund	A-5	<u>700.00</u>	<u>700.00</u>
Total		<u>1,323,716.09</u>	<u>1,662,472.16</u>
Receivables & Other Assets Without Full Reserves:			
Due from State of NJ - Senior Citizens' and Veterans Deductions	A-8	<u>13,250.00</u>	<u>12,750.00</u>
Total Receivables & Other Assets Without Full Reserves		<u>13,250.00</u>	<u>12,750.00</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-6	468,809.06	366,341.29
Tax Title Liens Receivable	A-7	128,905.41	75,333.92
Revenue Accounts Receivable	A-9	29,175.93	24,009.47
Prepaid Local School Taxes	A-16	-	6.00
Due From Other Trust Fund	B	10,248.23	1,730.10
Due From Trust - Open Space	B	55,178.07	-
Due from Animal Control	B	12,246.13	6,836.36
Due from Utility Capital Fund	D	19,043.79	-
Due from General Capital Fund	C	-	345,191.27
Due From Water/Sewer Utility Operating Fund	D	<u>204,392.72</u>	<u>126,099.56</u>
Total Receivables & Other Assets With Full Reserves		<u>927,999.34</u>	<u>945,547.97</u>
Deferred Charges:			
Over-Expenditure of Grants	A-12	780.82	780.82
Over-Expenditure of Appropriation	A-12	<u>9,474.28</u>	<u>9,474.28</u>
		<u>10,255.10</u>	<u>10,255.10</u>
Total Regular Funds		<u>2,275,220.53</u>	<u>2,631,025.23</u>
Federal & State Grants:			
Due From Current Fund	A-23	135,532.52	320,588.38
Deferred Charges - Overexpenditure of Grant Appropriations	A-12	3,741.35	-
Federal and State Grants Receivable	A-24	<u>100,918.60</u>	<u>129,712.60</u>
Total State & Federal Grants		<u>240,192.47</u>	<u>450,300.98</u>
Total Assets		<u>\$2,515,413.00</u>	<u>\$3,081,326.21</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, 2019 AND 2018**

	REFERENCE	<u>2019</u>	<u>2018</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 201,536.42	\$ 198,232.89
Reserve for Encumbrances	A-10	146,313.59	241,090.28
Accounts Payable	A-11	8,466.55	5,191.53
Prepaid Taxes	A-14	262,925.89	331,135.34
Tax Overpayments	A-15	64,051.41	50,939.51
Due Regional High School Taxes Payable	A-17	0.86	0.82
Due County for Added and Omitted Taxes	A-19	99,975.27	44,206.10
Due State of New Jersey - DCA Fees	A-20	6,316.00	8,021.00
Due to State - Marriage Licenses	A-21	1,780.00	1,700.00
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	135,532.52	320,588.38
Due to Municipal Open Space Trust Fund	B	2,732.98	3,577.03
Due to General Capital Fund	C	25,728.00	-
Due to Water/Sewer Utility Capital Fund	D	-	6,684.21
		<u>958,150.49</u>	<u>1,214,158.09</u>
Subtotal Regular Fund			
Reserve for Receivables & Other Assets	A	927,999.34	945,547.97
Fund Balance	A-1	<u>389,070.70</u>	<u>471,319.17</u>
		<u>2,275,220.53</u>	<u>2,631,025.23</u>
Total Regular Fund			
State & Federal Grants:			
Reserve for Federal & State Grants:			
Appropriated Reserves	A-25	151,297.95	399,740.67
Unappropriated Reserves	A-26	78,131.84	19,956.42
Encumbrances	A-27	1,827.28	21,668.49
Due to General Capital Fund	C	<u>8,935.40</u>	<u>8,935.40</u>
		<u>240,192.47</u>	<u>450,300.98</u>
Total State & Federal Grants			
		<u>\$2,515,413.00</u>	<u>\$3,081,326.21</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
STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	REFERENCE	2019	2018
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 324,441.00	\$ 730,609.00
Miscellaneous Revenue Anticipated	A-2	3,777,906.66	3,801,621.07
Receipts From Delinquent Taxes	A-2	361,928.62	481,549.49
Receipts From Current Taxes	A-2	35,696,825.19	35,189,628.95
Non-Budget Revenue	A-2,A-9	197,134.65	44,831.78
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	113,833.89	240,372.56
Prior Year Interfund Returned	A	4,038.27	-
Change Fund Adjustment:	A	-	300.00
Total Revenue and Other Income Realized		40,476,108.28	40,488,912.85
Expenditures:			
Operations Within "CAPS"			
Salaries & Wages	A-3	2,782,025.00	2,403,924.28
Other Expenses	A-3	2,483,000.00	2,736,050.00
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	790,553.00	693,130.00
Operations Excluded From "CAPS":			
Salaries & Wages	A-3	195,950.00	200,000.00
Other Expenses	A-3	560,631.98	830,401.78
Capital Improvements Excluded from "CAPS"	A-3	64,625.51	231,000.00
Municipal Debt Service Excluded from "CAPS"	A-3	929,136.08	917,844.20
Local School Taxes	A-19	14,362,563.00	14,309,251.00
Regional High School Taxes	A-20	8,545,549.00	8,436,004.00
County Taxes	A-20	8,798,734.11	8,573,294.44
Due County for Added and Omitted Taxes	A-21	99,975.27	44,206.10
Local Municipal Open Spaces Taxes	A-6	320,882.98	319,755.50
Prior Year Refunds	A	12,891.51	-
Reserve for Prepaid Local School Taxes	A	-	6.00
Interfunds Created	A	287,398.31	519,808.25
Total Expenditures		40,233,915.75	40,214,675.55
Excess/(Deficit) in Revenue		242,192.53	274,237.30
Adjustment to Income Before Fund Balance:			
Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Year	A-3	-	9,474.28
Statutory Excess to Fund Balance		242,192.53	283,711.58
Fund Balance January 1	A	471,319.17	918,216.59
Total		713,511.70	1,201,928.17
Decreased by: Utilization as Anticipated Revenue	A-1,A-2	324,441.00	730,609.00
Fund Balance December 31	A	\$ 389,070.70	\$ 471,319.17

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, 2019**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance	\$ 324,441.00	\$ -	\$ 324,441.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00	-	10,000.00	-
Other	2,900.00	-	2,018.00	(882.00)
Fees and Permits	86,500.00	-	30,537.00	(55,963.00)
Fines & Costs - Municipal Court	154,500.00	-	177,419.88	22,919.88
Interest & Costs on Taxes	108,000.00	-	97,525.44	(10,474.56)
Interest on Investments & Deposits	24,000.00	-	25,217.54	1,217.54
Cable Television Franchise Fee	42,500.00	-	34,126.15	(8,373.85)
Energy Receipts Tax	1,837,333.00	-	1,837,333.00	-
Uniform Construction Code Fees	495,000.00	-	289,851.00	(205,149.00)
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	13,766.00	-	13,766.00	-
Alcohol Education and Rehabilitation Fund	-	1,044.87	1,044.87	-
Clean Communities	-	23,470.11	23,470.11	-
Body Armor Fund	2,411.00	-	2,411.00	-
FEMA	650.00	-	650.00	-
Drive Sober	-	2,200.00	2,200.00	-
JIF Safety Program	540.00	-	540.00	-
JIF Safety Incentive Program	2,000.00	-	2,000.00	-
Other Special Items:				
Interlocal Agreements:				
East Greenwich School District	76,000.00	-	71,363.19	(4,636.81)
Joint Municipal Court - Woodbury	251,500.00	-	279,024.13	27,524.13
Interfund Receivable - Water/Sewer Operating	104,618.00	-	104,618.00	-
Interfund Receivable - General Capital Fund	341,153.00	-	341,153.00	-
PILOT	289,000.00	-	334,953.60	45,953.60
Lease Revenues - United States Postal Service	60,000.00	-	65,000.00	5,000.00
Police Outside Vehicle Use	34,970.00	-	31,684.75	(3,285.25)
Total Miscellaneous Revenues	3,937,341.00	26,714.98	3,777,906.66	(186,149.32)
Receipts From Delinquent Taxes	399,500.00	-	361,928.62	(37,571.38)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	3,776,783.00	-	4,120,530.83	343,747.83
Budget Totals	8,438,065.00	26,714.98	8,584,807.11	120,027.13
Nonbudget Revenues	-	-	197,134.65	197,134.65
Total	\$ 8,438,065.00	\$ 26,714.98	\$ 8,781,941.76	\$ 317,161.78

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, 2019**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 35,696,825.19
Less: School, County Taxes & Municipal Open Space Taxes	<u>32,127,704.36</u>
Balance for Support of Municipal Budget Appropriations	3,569,120.83
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>551,410.00</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 4,120,530.83</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 361,928.62</u>
Total Receipts From Delinquent Taxes	<u>\$ 361,928.62</u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Gloucester County Annex	\$ 2,402.49
Photocopies	84.15
Property Lists	10,730.00
Recycling Retainer Fees	6,100.00
Grading Application Fees	3,675.00
Senior Citizen & Veterans' Administrative Fee	1,554.29
Road Opening Permits	6,000.00
Septic Inspections	435.00
Filing Fees	11,250.00
Police Reports	7,832.64
DMV Inspections	3,102.54
Municipal Court Prior Year Court Fees	41,376.66
Sale of Equipment	4,188.76
Polling Prices	700.00
Payment in Lieu of Taxes - Royal Crescent	22,603.28
Farm Rent	3,596.09
Solicitor Permits	4,050.00
Police Outside Work	989.75
Homestead Mailing Rebate	381.00
Refund of Prior Year Expenditures	<u>66,083.00</u>
	<u>\$ 197,134.65</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, 2019**

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED		
OPERATIONS WITHIN "CAPS"						
General Government:						
Administrative and Executive						
Salaries and Wages	\$ 65,000.00	\$ 80,000.00	\$ 66,402.56	\$ -	\$ 13,597.44	\$ -
Other Expenses	25,000.00	25,000.00	24,364.58	398.74	236.68	-
Governing Body:						
Salaries and Wages	36,500.00	36,500.00	36,500.00	-	-	-
Municipal Clerk						
Codification of Ordinances - Other Expenses	2,500.00	2,500.00	1,448.62	1,051.38	-	-
Financial Administration						
Salaries and Wages	27,000.00	67,000.00	66,543.52	-	456.48	-
Other Expenses	12,000.00	12,000.00	10,805.37	714.25	480.38	-
Annual Audit	25,000.00	39,350.00	39,345.00	-	5.00	-
Collection of Taxes						
Salaries and Wages	60,000.00	60,000.00	58,890.63	-	1,109.37	-
Other Expenses	18,000.00	15,000.00	11,434.08	103.72	3,462.20	-
Legal Services and Costs:						
Other Expenses	75,000.00	125,000.00	124,094.24	-	905.76	-
Engineering Services Costs:						
Other Expenses	40,000.00	20,000.00	19,960.55	-	39.45	-
Insurance						
Employee Group Health	880,000.00	743,050.00	741,040.24	-	2,009.76	-
Workers Compensation	125,000.00	114,750.00	113,436.00	-	1,314.00	-
General Liability	76,500.00	53,100.00	53,082.00	-	18.00	-
Public Buildings and Grounds						
Salaries and Wages	37,000.00	37,000.00	36,329.94	-	670.06	-
Others Expenses	20,000.00	20,000.00	17,904.48	1,134.14	961.38	-
Environmental Commission (N.J.S. 40:56A-1 et seq.)						
Salaries and Wages	725.00	725.00	31.01	-	693.99	-
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	14,750.00	11,716.65	-	3,033.35	-
Other Expenses	4,000.00	8,000.00	7,254.49	-	745.51	-
Zoning Officer						
Salaries and Wages	8,000.00	8,000.00	7,741.74	-	258.26	-
Other Expenses	100.00	100.00	-	-	100.00	-

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS						RESERVED	CANCELED
	BUDGET	BUDGET AFTER		PAID OR CHARGED		ENCUMBERED		
		MODIFICATION	EXPENDED	ENCUMBERED				
Public Safety								
Fire								
Other Expenses	50,000.00	60,000.00	56,879.79	3,096.48	23.73	-	-	
Police								
Salaries and Wages	1,750,000.00	1,880,000.00	1,861,400.35	-	18,599.65	-	-	
Other Expenses	190,000.00	216,000.00	183,008.06	29,422.19	3,569.75	-	-	
Emergency Management Services								
Salaries and Wages	3,250.00	3,250.00	2,994.06	-	255.94	-	-	
Other Expenses	8,500.00	18,500.00	2,915.69	15,422.63	161.68	-	-	
Municipal Court								
Salaries and Wages	119,550.00	119,550.00	101,535.61	-	18,014.39	-	-	
Other Expenses	21,950.00	11,950.00	9,364.65	1,396.96	1,188.39	-	-	
Public Defender								
Salaries and Wages	9,500.00	9,500.00	8,990.80	-	509.20	-	-	
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-	-	
Prosecutor								
Salaries and Wages	16,500.00	16,500.00	15,371.97	-	1,128.03	-	-	
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-	-	
Streets and Roads								
Road Repairs & Maintenance:								
Salaries and Wages	255,000.00	235,000.00	220,120.94	-	14,879.06	-	-	
Other Expenses	60,000.00	120,000.00	52,281.59	65,877.50	1,840.91	-	-	
Fleet Maintenance								
Salaries and Wages	60,000.00	60,000.00	54,522.56	4,408.32	1,069.12	-	-	
Other Expenses	138,000.00	105,000.00	104,538.00	-	462.00	-	-	
Street Lighting								
Garbage and Trash Removal								
Salaries and Wages	410,000.00	410,000.00	374,781.22	1,363.30	33,855.48	-	-	
Other Expenses	-	-	-	-	-	-	-	
Health and Welfare								
Shade Tree								
Other Expenses	1,500.00	1,500.00	1,445.00	-	55.00	-	-	
Recreation and Education								
Recreation								
Salaries and Wages	3,200.00	3,200.00	3,183.62	-	16.38	-	-	
Other Expenses	25,000.00	32,000.00	23,825.37	8,111.29	63.34	-	-	
Senior Citizens Program								
Other Expenses	1,000.00	1,000.00	690.00	175.00	135.00	-	-	

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS			PAID OR CHARGED	RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	ENCUMBERED			
Code Enforcement						
Construction Code Official						
Salaries and Wages	102,000.00	110,000.00	-	109,316.01	683.99	-
Other Expenses	106,000.00	60,700.00	60.00	58,172.71	2,467.29	-
Subcode Officials						
Salaries and Wages:						
Building Inspector	25,000.00	27,000.00	-	26,520.00	480.00	-
Plumbing Inspector	24,500.00	29,800.00	-	29,756.12	43.88	-
Fire Inspector	14,750.00	14,750.00	-	14,326.08	423.92	-
Unclassified						
Electricity	70,000.00	52,000.00	-	51,733.92	266.08	-
Telephone	65,000.00	50,000.00	116.29	49,717.27	166.44	-
Natural Gas	40,000.00	13,000.00	-	12,796.68	203.32	-
Gasoline	100,000.00	81,000.00	-	79,897.87	1,102.13	-
Accumulated Absences	5,000.00	5,000.00	-	-	5,000.00	-
Interlocal Service Agreements						
Construction Code Official - Paulsboro						
Salaries and Wages	29,500.00	29,500.00	-	29,500.00	-	-
Other Expenses	5,000.00	5,000.00	-	2,418.00	2,582.00	-
Total Operations Including Contingent - Within "CAPS"	5,264,025.00	5,285,025.00	132,852.19	4,990,329.64	141,843.17	-
Detail:						
Salaries and Wages	2,601,475.00	2,782,025.00	-	2,707,171.61	74,853.39	-
Other Expenses	2,662,550.00	2,483,000.00	132,852.19	2,283,158.03	66,989.78	-
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":						
Deferred Charges:						
Overexpenditure of Appropriation Reserves						
Prior Year Bills	6,000.00	6,000.00	-	-	-	6,000.00
Contribution to:						
Social Security (O.A.S.I.)	215,000.00	215,000.00	-	214,694.51	305.49	-
Police & Fire Retirement System	404,046.00	404,046.00	-	404,045.79	0.21	-
Public Employees Retirement System	166,507.00	166,507.00	-	166,506.56	0.44	-
Defined Contribution Retirement Program	5,000.00	5,000.00	-	1,792.50	3,207.50	-
Unemployment Insurance	5,000.00	-	-	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	801,553.00	796,553.00	-	787,039.36	3,513.64	6,000.00
Total General Appropriations for Municipal Purposes Within "CAPS"	6,065,578.00	6,061,578.00	132,852.19	5,777,369.00	145,356.81	6,000.00

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, 2019**

	APPROPRIATIONS				RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED EXPENDED	ENCUMBERED		
OPERATIONS - EXCLUDED FROM "CAPS"						
Recycling Tax	5,000.00	5,000.00	375.00	-	4,625.00	-
Shared Service Agreements:						
Trash Collection Logan Township	400,000.00	400,000.00	363,528.00	-	36,472.00	-
Information & Technology - Kingsway Regional School District	30,000.00	34,000.00	53,537.50	-	462.50	-
Crossing Guards - East Greenwich School District	20,000.00	20,000.00	7,263.62	-	12,736.38	-
Joint Municipal Court - Woodbury						
Salaries and Wages	208,450.00	195,950.00	194,632.28	-	1,317.72	-
Other Expenses	43,050.00	55,550.00	52,922.59	2,061.40	566.01	-
Public and Private Programs Offset by Revenues:						
Recycling Tonnage Grant	13,766.00	13,766.00	13,766.00	-	-	-
Alcohol Education and Rehabilitation Fund	-	1,044.87	1,044.87	-	-	-
Clean Communities	-	23,470.11	23,470.11	-	-	-
Drive Sober	-	2,200.00	2,200.00	-	-	-
Body Armor Fund	2,411.00	2,411.00	2,411.00	-	-	-
FEMA	650.00	650.00	650.00	-	-	-
JIF Safety Program	2,000.00	2,000.00	2,000.00	-	-	-
JIF Safety Incentive Program	540.00	540.00	540.00	-	-	-
Total Operations Excluded From "CAPS"	725,867.00	756,581.98	698,340.97	2,061.40	56,179.61	-
Detail:						
Salaries and Wages	208,450.00	195,950.00	194,632.28	-	1,317.72	-
Other Expenses	517,417.00	560,631.98	503,708.69	2,061.40	54,861.89	-

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, 2019**

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED		
Capital Improvements - Excluded from "CAPS"						
Upgrades to Municipal Building	10,000.00	10,000.00	-	-	-	10,000.00
Hidden Acres Park Improvements	74,710.00	74,710.00	53,225.51	1,400.00	-	20,084.49
Fire System	10,000.00	10,000.00	-	10,000.00	-	-
Road Resurfacing	65,000.00	65,000.00	-	-	-	65,000.00
Total Capital Improvements - Excluded from "CAPS"	159,710.00	159,710.00	53,225.51	11,400.00	-	95,084.49
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	596,000.00	596,000.00	595,000.00	-	-	1,000.00
Payment of Bond Anticipation Notes and Capital Notes	65,000.00	65,000.00	60,100.00	-	-	4,900.00
Interest on Bonds	249,500.00	249,500.00	249,162.50	-	-	337.50
Interest on Notes	25,000.00	25,000.00	24,873.58	-	-	126.42
Total Municipal Debt Service Excluded from "CAPS"	935,500.00	935,500.00	929,136.08	-	-	6,363.92
Total General Appropriations Excluded from "CAPS"	1,821,077.00	1,851,791.98	1,680,702.56	13,461.40	56,179.61	101,448.41
Subtotal General Appropriations	7,886,655.00	7,913,369.98	7,458,071.56	146,313.59	201,536.42	107,448.41
Reserve For Uncollected Taxes	551,410.00	551,410.00	551,410.00	-	-	-
Total General Appropriations	\$ 8,438,065.00	\$ 8,464,779.98	\$ 8,009,481.56	\$ 146,313.59	\$ 201,536.42	\$ 107,448.41
Original Budget	\$ 8,438,065.00					
Appropriation by N.J.S.A. 40A:4-87	<u>26,714.98</u>					
Total	\$ 8,464,779.98					
Reserve for Federal & State Grants		\$ 46,081.98				
Reserve for Uncollected Taxes		551,410.00				
Budget Reimbursements		(673,381.43)				
Cash Disbursements		<u>8,085,371.01</u>				
		\$ 8,009,481.56				

**TOWNSHIP OF EAST GREENWICH
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Animal Control Fund:			
Cash	B-3	\$ 12,729.83	\$ 25,720.76
Total Animal Control Fund		<u>12,729.83</u>	<u>25,720.76</u>
Open Space Trust Fund:			
Cash	B-3	144,154.60	75,268.75
Due Current Fund	B-9	2,732.98	3,577.03
Total Open Space Trust Fund		<u>146,887.58</u>	<u>78,845.78</u>
Other Trust Funds:			
Cash	B-3	1,134,298.91	1,000,169.19
Total Other Trust Funds		<u>1,134,298.91</u>	<u>1,000,169.19</u>
Total Assets		<u>\$ 1,293,916.32</u>	<u>\$ 1,104,735.73</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	\$ 483.70	\$ 18,884.40
Due to Current Fund	A	12,246.13	6,836.36
Total Animal Control Fund		<u>12,729.83</u>	<u>25,720.76</u>
Municipal Open Space Trust Fund:			
Reserve for Open Space	B-6	22,829.77	14,237.86
Reserve for Encumbrances	B-8	4,271.82	-
Due to Current Fund	A	55,178.07	-
Due General Capital Fund	C	64,607.92	64,607.92
Total Municipal Open Space Trust Fund		<u>146,887.58</u>	<u>78,845.78</u>
Other Trust Funds:			
Miscellaneous Reserves	B-10	1,124,050.68	998,439.09
Due to Current Fund	A	10,248.23	1,730.10
Total Other Trust Funds		<u>1,134,298.91</u>	<u>1,000,169.19</u>
Total		<u>\$ 1,293,916.32</u>	<u>\$ 1,104,735.73</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, 2019**

	BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 318,150.00	\$ 318,150.00	\$ -
Miscellaneous	15,500.00	-	(15,500.00)
	<u>\$ 333,650.00</u>	<u>\$ 318,150.00</u>	<u>\$ (15,500.00)</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, 2019**

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
Maintenance of Lands for Recreation and Conservation:					
Salaries & Wages	\$ 45,000.00	\$ 45,000.00	\$ 30,101.14	\$ -	\$ 14,898.86
Other Expenses	75,650.00	75,650.00	72,543.63	-	3,106.37
Debt Service:					
Payment of Bond Principal	155,000.00	155,000.00	155,000.00	-	-
Payment of Bond Interest	58,000.00	58,000.00	55,000.00	-	3,000.00
Total	\$ 333,650.00	\$ 333,650.00	\$ 312,644.77	\$ -	\$ 21,005.23

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

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Cash	C-1,C-2	\$ 12,537.69	\$ -
Grants Receivable	C-3	67,857.20	357.20
Deferred Charges to Future Taxation:			
Funded	C-4	9,430,000.00	10,180,000.00
Unfunded	C-5	1,671,223.00	1,394,073.00
Deficit in Capital Improvement Fund	C-7	12,282.00	-
Due from Current Fund	C-11	25,728.00	-
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>64,607.92</u>	<u>64,607.92</u>
Total Assets		<u><u>\$ 11,293,171.21</u></u>	<u><u>\$ 11,647,973.52</u></u>

LIABILITIES, RESERVES & FUND BALANCE

Improvement Authorizations:			
Funded	C-6	\$ 28,792.01	\$ 27,382.37
Unfunded	C-6	191,676.48	144,070.00
Capital Improvement Fund	C-7	-	37,042.00
Contracts Payable	C-8	-	1,690.00
Encumbrances Payable	C-6	14,548.46	-
Bond Anticipation Notes	C-9	1,513,051.00	891,526.00
Serial Bonds Payable	C-10	9,430,000.00	10,180,000.00
Reserve for Debt Payments	C	2,645.88	2,645.88
Reserve for Downpayment	C	-	8,426.00
Reserve for Lighting Improvements	C	10,000.00	10,000.00
Due to Current Fund	C-11	-	345,191.27
Due Water and Sewer Capital Fund	D	94,783.79	-
Fund Balance	C-1	7,673.59	-
		<u>7,673.59</u>	<u>-</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 11,293,171.21</u></u>	<u><u>\$ 11,647,973.52</u></u>

Bonds and Notes Authorized But Not Issued as of December 31, 2019 was \$158,172.00 and as of December 31, 2018 was \$502,547.00.

**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

	REFERENCE	<u>2019</u>	<u>2018</u>
ASSETS			
Operating Fund:			
Cash	D-4	\$ 707,407.87	\$ 659,598.14
Change Fund	D	50.00	50.00
Due from Water & Sewer Capital	D	93,548.32	-
Due from Developer	D	-	687.00
Total		<u>801,006.19</u>	<u>660,335.14</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-6	44,281.55	59,947.80
Other Accounts Receivable	D	7,547.12	-
Developer Accounts Receivable	D	687.00	-
Total Receivables With Full Reserves		<u>52,515.67</u>	<u>59,947.80</u>
Deferred Charges:			
Operating Deficit	D-7	25,820.69	50,548.69
Total Deferred Charges		<u>25,820.69</u>	<u>50,548.69</u>
Total Operating Fund		<u>879,342.55</u>	<u>770,831.63</u>
Capital Fund:			
Cash	D-4	14,105.80	31,623.00
Fixed Capital	D-8	15,801,030.09	15,616,935.45
Fixed Capital Authorized and Uncompleted	D-9	2,357,700.00	2,357,700.00
NJIB Loan Receivable	D-20	2,178,732.00	2,204,460.00
Due from Current Fund	A	-	6,684.21
Due from General Capital Fund	C	94,783.79	-
Total Capital Fund		<u>20,446,351.68</u>	<u>20,217,402.66</u>
Total Operating & Capital Fund		<u>\$ 21,325,694.23</u>	<u>\$ 20,988,234.29</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, 2019 AND 2018**

	REFERENCE	<u>2019</u>	<u>2018</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 23,463.89	\$ 102,157.88
Reserve for Encumbrances	D-3	224,472.02	73,787.62
Prepaid Rents	D-11	5,620.67	8,223.78
Accrued Interest Payable	D-13	32,371.66	33,772.96
Rent Overpayments	D	3,440.74	3,440.74
Due to Current Fund	A, D-18	204,392.72	126,099.56
Reserve for Unallocated Receipts	D	-	19,806.15
Subtotal		<u>493,761.70</u>	<u>367,288.69</u>
Reserve for Receivables	D	52,515.67	59,947.80
Fund Balance	D-1	<u>333,065.18</u>	<u>343,595.14</u>
Total Operating Fund		<u>879,342.55</u>	<u>770,831.63</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	D-14	77,500.00	77,500.00
Funded	D-14	2,143,406.48	2,204,460.41
Due to Water & Sewer Operating	D	93,548.32	-
Due to Current Fund	A	19,043.79	-
Reserve for Encumbrances	D-14	-	6,683.80
Capital Improvement Fund	D-15	32,609.00	32,609.00
Reserve for Amortization	D-16	10,618,044.09	10,143,949.45
Serial Bonds	D-17	5,182,000.00	5,472,000.00
NJIB Loan Payable	D-19	<u>2,280,200.00</u>	<u>2,280,200.00</u>
Total Capital Fund		<u>20,446,351.68</u>	<u>20,217,402.66</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 21,325,694.23</u>	<u>\$ 20,988,234.29</u>

Bonds and Notes Authorized But Not Issued as of December 31, 2019 was \$78,486.00 and as of December 31, 2018 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, 2019 AND 2018**

	2019	2018
Revenue & Other Income Realized:		
Operating Fund Balance Utilized	\$ 318,180.00	\$ 341,000.00
Rents	2,955,664.44	2,652,075.19
Miscellaneous Revenue Not Anticipated	298,674.84	297,151.94
Other Credits to Income:		
Miscellaneous	182.36	-
Unexpended Balance of Appropriation Reserves	37,772.41	39,746.35
 Total Income	 3,610,474.05	 3,329,973.48
 Expenditures:		
Budget Appropriations:		
Operating	2,607,000.00	2,599,000.00
Capital Improvements	184,094.64	306,000.00
Debt Service	445,267.25	437,251.11
Deferred Charges & Statutory Expenditures	33,500.00	35,000.00
Deficit to Operations from Prior Year	24,728.00	-
Other Debits to Income:		
Miscellaneous	8,234.12	3,271.06
 Total Expenditures	 3,302,824.01	 3,380,522.17
 Excess in Revenue	 307,650.04	 -
Operating Deficit to be Raised in Budget of Succeeding Year	-	50,548.69
 Statutory Excess to Fund Balance	 307,650.04	 -
Fund Balance January 1	343,595.14	684,595.14
 Total	 651,245.18	 684,595.14
Less: Utilized by Operating Budget	318,180.00	341,000.00
 Balance December 31	 \$ 333,065.18	 \$ 343,595.14

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, 2019**

	BUDGET	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	\$ 318,180.00	\$ 318,180.00	\$ -
Rents	2,783,937.00	2,955,664.44	171,727.44
Miscellaneous	297,000.00	298,674.84	1,674.84
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 3,399,117.00</u>	<u>\$ 3,572,519.28</u>	<u>\$ 173,402.28</u>

Rents:

Consumer Accounts Receivable:

Rents Collected

\$ 2,955,664.44

Total

\$ 2,955,664.44**ANALYSIS OF REALIZED REVENUES**

Miscellaneous	
Water & Sewer Interest & Penalties	\$ 14,693.53
Water Meters	78,514.22
Water Shut Offs/Turn Ons	225.00
Water & Sewer Connection Fees	203,125.00
Interest on Investments	301.22
Other Miscellaneous	1,815.87
	<hr/>
Total	<u>\$ 298,674.84</u>

**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	BUDGET	BUDGET AFTER MODIFICATION		PAID OR CHARGED		RESERVED	UNEXPENDED BALANCE CANCELED
		BUDGET	MODIFICATION	EXPENDED	ENCUMBERED		
Operating:							
Salaries & Wages	\$ 435,000.00	\$ 435,000.00	\$ 423,485.37	\$ -	\$ 11,514.63	\$ -	
Other Expenses	425,000.00	425,000.00	361,505.93	54,547.74	8,946.33	-	
Gloucester County Utilities Authority	535,000.00	535,000.00	523,430.02	11,569.98	-	-	
Other Insurance	107,000.00	107,000.00	107,000.00	-	-	-	
New Jersey American Water	905,000.00	905,000.00	881,553.70	23,446.30	-	-	
Group Insurance for Employees	200,000.00	200,000.00	200,000.00	-	-	-	
Capital Improvements:							
Capital Outlay	285,000.00	285,000.00	49,186.64	134,908.00	-	100,905.36	
Debt Service:							
Payment of Bond Principal	290,000.00	290,000.00	290,000.00	-	-	-	
Interest on Bonds	158,889.00	158,889.00	155,267.25	-	-	3,621.75	
Deferred Charges and Statutory Expenditures							
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)	33,500.00	33,500.00	30,497.07	-	3,002.93	-	
Deficit in Operations of Prior Years	24,728.00	24,728.00	24,728.00	-	-	-	
Total Expenditures	\$ 3,399,117.00	\$ 3,399,117.00	\$ 3,046,653.98	\$ 224,472.02	\$ 23,463.89	\$ 104,527.11	
Interest on Bonds			\$ 155,267.25				
Deferred Charges			24,728.00				
Cash Disbursements			<u>2,866,658.73</u>				
Total			<u><u>\$ 3,046,653.98</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, 2019 AND 2018**

ASSETS	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2018
General Fixed Assets:		
Land	\$ 2,657,850.00	\$ 2,657,850.00
Building	5,790,597.87	5,772,222.00
Vehicles	3,869,076.00	3,979,421.00
Equipment	<u>4,130,632.00</u>	<u>4,075,449.00</u>
Total General fixed Assets	<u>\$ 16,448,155.87</u>	<u>\$ 16,484,942.00</u>
Investment in General Fixed Assets	<u>\$ 16,448,155.87</u>	<u>\$ 16,484,942.00</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, 2019**

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**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2019**

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 10th 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, 2019**

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, 2019**

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 10th 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 10th of the current year and due to be paid to the County by February 15th 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.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided 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 cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. 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 – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2019:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following effective dates have been updated to reflect the implementation of Statement No. 95.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 years as shown below:

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. This statement had no material impact on the Township's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the Township’s financial statements.

Statement No. 91, Conduit Debt Obligations, the primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the Township’s financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by 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 below.

As of December 31, 2019, the Township’s bank balance of \$5,454,386.34 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 4,089,674.82
Uninsured and Uncollateralized	<u>1,364,711.52</u>
	<u>\$ 5,454,386.34</u>

Investments

The Township had no investments as of December 31, 2019.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 Schedule of Tax Rates

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 2.994</u>	<u>\$ 3.297</u>	<u>\$ 3.254</u>
Apportionment of Tax Rate:			
Municipal	0.315	0.351	0.353
Municipal Open Space	0.026	0.029	0.029
County General	0.738	0.799	0.766
Local School	1.201	1.333	1.338
Regional School	0.714	0.785	0.768

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2019	\$ 1,195,814,300.00
2018	1,074,152,700.00
2017	1,068,250,300.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2019	\$ 36,201,140.32	\$ 35,696,825.19	98.60%
2018	35,608,448.09	35,189,628.95	98.82%
2017	35,016,964.51	34,430,610.54	98.32%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2019	\$ 128,905.41	\$ 468,809.06	\$ 597,714.47	1.65%
2018	75,333.92	366,397.34	441,731.26	1.24%
2017	42,320.30	446,612.55	488,932.85	1.40%

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes (continued)

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2019	13
2018	10
2017	9

The last tax sale was held on October 24, 2019.

Note 4: Property Acquired By Tax Title Lien Liquidation

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2019, 2018 or 2017.

Note 5: Water-Sewer Utility Service Charges

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2019	\$ 59,947.80	\$ 2,939,998.19	\$ 2,999,945.99	\$ 2,947,440.66	98.24%
2018	65,296.74	2,646,726.25	2,712,022.99	2,652,075.19	97.78%
2017	67,782.36	2,876,912.98	2,944,695.34	2,879,398.60	97.78%

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2019	\$ 389,070.70	\$ 300,000.00	77.11%
2018	471,319.17	324,441.00	68.84%
2017	918,216.59	730,609.00	79.57%

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 6. Fund Balances Appropriated (continued)

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Utility Operating Fund:			
2019	\$ 333,065.18	\$ 300,000.00	90.07%
2018	343,595.14	318,180.00	92.60%
2017	684,595.14	341,000.00	49.81%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2019:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 301,108.94	\$ 163,993.50
State and Federal Grant Fund	135,532.52	8,935.40
Animal Control Trust	-	12,246.13
Municipal Open Space Trust Fund	2,732.98	119,785.99
Trust Other Fund	-	10,248.23
Capital Fund	99,271.32	94,783.79
Utility Operating Fund	93,548.32	204,392.72
Utility Capital Fund	94,783.79	112,592.11
	<u>\$ 726,977.87</u>	<u>\$ 726,977.87</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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 8. Interfund Receivables, Payables and Transfers (continued)

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 505,595.94	\$ 451,578.49
State and Federal Grant Fund	318,107.26	133,051.40
Municipal Open Space Fund	55,178.07	-
Trust Other Fund	-	-
Capital Fund	69,055.79	345,191.27
Utility Operating Fund	78,293.16	27,353.27
Utility Capital Fund		69,055.79
	<u>\$1,026,230.22</u>	<u>\$ 1,026,230.22</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019.

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2019</u>
Land	\$ 2,657,850.00	\$ -	\$ -	\$ 2,657,850.00
Buildings and Improvements	5,772,222.00	18,375.87	-	5,790,597.87
Vehicles	3,979,421.00	137,629.00	(247,974.00)	3,869,076.00
Equipment	4,075,449.00	128,093.00	(72,910.00)	4,130,632.00
	<u>\$ 16,484,942.00</u>	<u>\$ 284,097.87</u>	<u>\$ (320,884.00)</u>	<u>\$ 16,448,155.87</u>

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. 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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.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.

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 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (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.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

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 2019, 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 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. For the year ended December 31, 2019, the Township's contractually required contribution to PERS plan was \$166,114.

Components of Net Pension Liability - At December 31, 2019, the Township's proportionate share of the PERS net pension liability was \$3,077,111. The net pension liability was measured as of June 30, 2019. 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, 2018, which was rolled forward to June 30, 2019. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Township's proportion measured as of June 30, 2019, was 0.01708% which was an increase of 0.00092% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 705,287	\$ 806,474
Deferred Inflows of Resources	1,242,870	1,274,467
Net Pension Liability	3,077,111	3,180,699
Township's portion of the Plan's total Net Pension Liability	0.01708%	0.01615%

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is \$133,180. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$166,114 to the plan in 2019.

At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 55,230	\$ 13,593
Changes of Assumptions	307,261	1,068,055
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	48,573
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	342,796	112,649
	\$ 705,287	\$ 1,242,870

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
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	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between 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
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending	Amount
<u>Dec 31,</u>	
2020	\$ 23,603
2021	20,803
2022	(544,728)
2023	(33,276)
2024	(3,985)
	<hr/>
	<u>\$ (537,583)</u>

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:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 3,913,931	\$ 3,077,111	\$ 2,411,416

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 <http://www.state.nj.us/treasury/pensions/annual-reports.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:

<u>Tier</u>	<u>Definition</u>
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. 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.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. 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 2019, 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. For the year ended December 31, 2019, the Township's contractually required contributions to PFRS plan was \$408,108.

Net Pension Liability and Pension Expense - At December 31, 2019 the Township's proportionate share of the PFRS net pension liability was \$4,944,361. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Township's proportion measured as of June 30, 2019, was 0.04040%, which was a decrease of 0.00033% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 438,281	\$ 835,008
Deferred Inflows of Resources	2,170,280	2,266,716
Net Pension Liability	4,944,361	5,512,150
Township's portion of the Plan's total net pension Liability	0.04040%	0.04074%

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2019, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2019 measurement date was \$140,611. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$408,108 to the plan in 2019.

At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	
Differences between Expected and Actual Experience	\$ 41,737	\$ 31,304	
Changes of Assumptions	169,421	1,597,972	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	66,994	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	227,123	474,010	
	\$ 438,281	\$ 2,170,280	

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</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
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
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	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	-	5.00
Changes in Proportion and Differences between 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
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2020	\$	(533,354)
2021		(496,982)
2022		(420,141)
2023		(175,344)
2024		<u>(106,178)</u>
	<u>\$</u>	<u>(1,731,999)</u>

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 PFRS net pension liability attributable to the Township is \$780,724 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2019 was 0.04040%, which was a decrease of 0.00033% from its proportion measured as of June 30, 2018, which is the same proportion as the Township’s. At December 31, 2019, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability		\$ 4,944,361
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township		<u>780,724</u>
		<u>\$ 5,725,085</u>

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

At December 31, 2019, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2019 measurement date was \$90,714.

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:

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through all future years		3.25 - 15.25%
		Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based		July 1, 2013 - June 30, 2018

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

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

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 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 and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

	1% Decrease <u>(5.85%)</u>	Current Discount Rate <u>(6.85%)</u>	1% Increase <u>(7.85%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 6,682,974	\$ 4,944,361	\$ 3,505,408
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,055,254</u>	<u>780,724</u>	<u>553,511</u>
	<u>\$ 7,738,228</u>	<u>\$ 5,725,085</u>	<u>\$ 4,058,919</u>

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 11. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

Mortality:

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

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

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Township's as of June 30, 2019 was \$4,845,159. The Township's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Township was based on projection of the State's long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Township was 0.035768%, which was a decrease of 0.000925% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$75,644 for the State's proportionate share of the OPEB (benefit) expense attributable to the Township. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

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

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

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Health Care Trend Assumptions

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Township	\$ 5,602,236.35	\$ 4,845,159.00	\$ 4,229,933.59
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	13,546,071,100.00	11,826,026,995.00

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Township	\$ 4,088,717.10	\$ 4,845,159.00	\$ 5,810,127.99
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	13,546,071,100.00	16,243,926,531.00

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2019:

Collective Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>
	June 30, 2019	June 30, 2018
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 11,158,226.00	\$ 8,279,239.00
Collective Deferred Inflows of Resources	8,761,825,481.00	7,154,925,195.00
Collective Net OPEB Liability	13,546,071,100.00	15,666,618,141.00
Township's Portion	0.035768%	0.036693%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2020	\$ (1,425,201,517.00)
2021	(1,425,201,517.00)
2022	(1,426,076,187.00)
2023	(1,427,489,995.00)
2024	(1,428,781,861.00)
Thereafter	<u>(1,617,916,178.00)</u>
	<u><u>\$ (8,750,667,255.00)</u></u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	June 30, 2018
Active Plan Members	63,032
Retirees Currently Receiving Benefits	27,871
 Total Plan Members	 90,903

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

Service Cost	\$ 666,574,660.00
Interest on the Total OPEB Liability	636,082,461.00
Change of Benefit Terms	(1,903,958.00)
Differences Between Expected and Actual Experience	(1,399,921,930.00)
Changes of Assumptions	(1,635,760,217.00)
Contributions From the Employer	(346,415,056.00)
Contributions From Non-Employer Contributing Entity	(43,854,500.00)
Net Investment Income	(4,826,936.00)
Administrative Expense	9,478,435.00
 Net Change in Total OPEB Liability	 (2,120,547,041.00)
 Total OPEB Liability (Beginning)	 15,666,618,141.00
 Total OPEB Liability (Ending)	 \$ 13,546,071,100.00

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$3,527,406 as of December 31, 2019. The OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2019 was 0.063733%, which was an increase of 0.003908% from its proportion measured as of June 30, 2018, which is the same proportion as the Township's. At December 31, 2019, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Township	\$ 3,521,706.00

At December 31, 2019, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2019 measurement date was \$46,681.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt

The following schedule represents the Township's summary of debt, to be filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 10,943,051.00	\$ 11,071,526.00	\$ 11,851,526.00
Utility:			
Bonds, Notes and Loans	7,462,200.00	7,752,200.00	5,747,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	18,405,251.00	18,823,726.00	17,598,526.00
Authorized but not issued:			
General:			
Bonds, Notes and Loans	158,172.00	502,547.00	502,547.00
Utility:			
Bonds, Notes and Loans	78,486.00	78,486.00	78,486.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	236,658.00	581,033.00	581,033.00
Total Gross Debt	<u>\$ 18,641,909.00</u>	<u>\$ 19,404,759.00</u>	<u>\$ 18,179,559.00</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 2,645.88	\$ 2,645.88	\$ 31,944.88
Utility:			
Self Liquidating Debt	7,540,686.00	7,830,686.00	5,825,486.00
	<hr/>	<hr/>	<hr/>
Total Deductions	7,543,331.88	7,833,331.88	5,857,430.88
Total Net Debt	<u>\$ 11,098,577.12</u>	<u>\$ 11,571,427.12</u>	<u>\$ 12,322,128.12</u>

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued):

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 17,890,000.00	\$ 17,890,000.00	\$ -
Regional School Debt	14,266,802.85	14,266,802.85	-
General Debt	11,101,223.00	2,645.88	11,098,577.12
Utility Debt	7,540,686.00	7,540,686.00	-
	<u>\$ 50,798,711.85</u>	<u>\$ 39,700,134.73</u>	<u>\$ 11,098,577.12</u>

Net Debt \$11,098,577.12 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,182,452,382.67, equals 0.939%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2019 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 41,385,833.39
Net Debt	11,098,577.12
Remaining Borrowing Power	\$ 30,287,256.27

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 3,572,519.28
Deductions:	
Operating and Maintenance Costs	\$ 2,640,500.00
Debt Service	445,267.25
Total Deductions	3,085,767.25
Excess/(Deficit) in Revenue	\$ 486,752.03

*If Excess in Revenues all Utility Debt is Deducted

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued):

General Debt

A. Serial Bonds Payable

On November 10, 2014, the Township issued \$4,290,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.25% to 3.00% and mature on November 1, 2031.

On August 10, 2016, the Township issued \$6,585,000 of General Refunding Bonds. The General Refunding Bonds were issued at interest rates varying from 1.25% to 4.00% and mature on August 1, 2028.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 875,000.00	294,487.50	\$ 1,169,487.50
2021	890,000.00	279,112.50	1,169,112.50
2022	915,000.00	248,762.50	1,163,762.50
2023	945,000.00	217,412.50	1,162,412.50
2024	975,000.00	184,862.50	1,159,862.50
2025-2029	4,330,000.00	439,262.50	4,769,262.50
2030-2031	500,000.00	22,500.00	522,500.00
	<u>\$ 9,430,000.00</u>	<u>\$ 1,686,400.00</u>	<u>\$ 11,116,400.00</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2019:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2019</u>
Series 2019 A	12/10/2019	12/10/2020	2.000%	\$ 1,513,051.00
				\$ 1,513,051.00

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued):

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2019, the Township had \$158,172.00 in various General Capital bonds and notes authorized but not issued.

Water-Sewer Utility Debt

A. Serial Bonds Payable

On November 10, 2014, the Township issued \$5,292,000 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 2.250% to 3.125% and mature on November 1, 2034.

On August 10, 2016, the Township issued \$935,000 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 1.50% to 3.25% and mature on August 1, 2028.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 300,000.00	\$ 150,781.25	\$ 450,781.25
2021	320,000.00	144,631.25	464,631.25
2022	330,000.00	135,856.25	465,856.25
2023	340,000.00	126,856.25	466,856.25
2024	360,000.00	117,631.25	477,631.25
2025-2029	1,840,000.00	420,831.25	2,260,831.25
2030-2034	1,692,000.00	156,518.75	1,848,518.75
	\$ 5,182,000.00	\$ 1,253,106.25	\$ 6,435,106.25

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had no bond anticipation notes outstanding in the Utility Capital Fund at December 31, 2019.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2019 the Township had \$78,486.00 in various Utility bonds and notes authorized but not issued.

D. New Jersey Infrastructure Bank Loans Payable/Receivable

As of December 31, 2019 the Township had \$2,280,200.00 in New Jersey Infrastructure Bank Loans Payable. Repayment terms have not been finalized during the construction period. The loan has a zero percent interest rate. As of December 31, 2019, the Township has loan proceeds receivable of \$2,178,732.00.

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued):

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2018</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2019</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 10,180,000.00	\$ -	\$ 750,000.00	\$ 9,430,000.00	\$ 875,000.00
Bond Anticipation Notes	891,526.00	1,513,051.00	891,526.00	1,513,051.00	1,513,051.00
Authorized but Not Issued	502,547.00	337,250.00	681,625.00	158,172.00	-
	<u>\$ 11,574,073.00</u>	<u>\$ 1,850,301.00</u>	<u>\$ 2,323,151.00</u>	<u>\$ 11,101,223.00</u>	<u>\$ 2,388,051.00</u>
Utility Capital:					
Utility Bonds	\$ 5,472,000.00	\$ -	\$ 290,000.00	\$ 5,182,000.00	\$ 300,000.00
NJIB Loans	2,280,200.00	-	-	2,280,200.00	-
Authorized but Not Issued	78,486.00	-	-	78,486.00	-
	<u>\$ 7,830,686.00</u>	<u>\$ -</u>	<u>\$ 290,000.00</u>	<u>\$ 7,540,686.00</u>	<u>\$ 300,000.00</u>

Note 13. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$137,100.65 at December 31, 2019. This liability represents Police only.

Note 14. Risk Management

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

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

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 14. Risk Management (continued)

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.

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, 2019, which can be obtained from:

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

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed 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 unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ -	\$ -	\$ 91.90	\$ 449.22	\$ 18,280.51
2018	5,318.50	-	46.02	455.64	18,637.83
2017	-	-	22.49	2,215.83	13,728.95

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 15. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2019 the Township estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2019.

Note 16. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2019 and September 3, 2020, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. Other than the following, no items have come to the attention of the Township that would require disclosure.

COVID-19

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy by way of executive orders, has ordered, among other things: all State residents to remain home or at their place of residence unless they meet one or more enumerated exceptions; all State residents to practice social distancing; gatherings of individuals, such as parties, celebrations and social events, are cancelled; non-essential businesses to cease operations from 8:00 p.m. to 5:00 a.m.; all restaurants and bars to close except for delivery or takeout services; casinos, racetracks, gyms and fitness centers and entertainment centers to close; all county and municipal libraries to close; all

**TOWNSHIP OF EAST GREENWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 16. Subsequent Events (continued)

business and non-profits to accommodate telework or work-from-home arrangements; the cessation of all non-essential construction projects; an extension of insurance premium grace periods; all Pre-K through 12 schools to close; all universities and colleges in the State to cease in-person instruction; The Township expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread of and impacts of COVID-19.

The Township cannot reasonably predict how long the outbreak may impact the financial condition or operations of the Township, whether there will be any impact on the assessed values of property within the Township or the deferral of tax payments to the Township or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the Township.

On March 24, 2020, the Division of Local Government Services in the New Jersey Department of Community Affairs extended the date for introduction of municipal budgets to April 28, 2020 (or the next regularly scheduled governing body meeting thereafter) and the date for municipal budget adoption to May 30, 2020 (or the next regularly scheduled governing body meeting thereafter). The New Jersey Legislature is considering legislation that, if enacted, would permit the extension of any additional deadlines under the Local Budget Law, the Local Fiscal Affairs Law and the laws with respect to the issuance of tax bills. Such proposed legislation would also permit municipalities to institute an extended grace period for the receipt of property tax payments and to extend the dates for the payment of taxes by a municipality due to a county, a school district or any other taxing district. A proposed amendment to such proposed legislation would also provide that any shortfall in the property tax payments received by the municipality would be borne *pro rata* by the municipality, the county and the school district(s). There can be no assurance that this legislation, or any other actions, will be enacted by the New Jersey Legislature. The Township does not plan to issue any updates or revisions regarding this legislation, or any other actions enacted by the New Jersey Legislature, if or when such legislation or other actions are enacted.

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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, 2019**

	CURRENT
Balance, December 31, 2018	\$ 1,661,772.16
Increased by Receipts:	
Miscellaneous Revenue not Anticipated	\$ 197,134.65
Taxes Receivable	35,345,073.49
Due from State of New Jersey - Tax Deductions	77,714.38
Revenue Accounts Receivable	3,731,824.68
Prepaid Taxes	262,925.89
Cash Reimbursements	673,381.43
Due to County - Poll Workers	5,575.00
Due to State of New Jersey - DCA Fees	20,891.00
Due to State of New Jersey - Marriage Licenses	980.00
Due Federal & State Grant Fund	133,051.40
Due from Utility Operating Fund	27,353.27
Due General Capital Fund	345,191.27
	40,821,096.46
Total Receipts	40,821,096.46
Subtotal	42,482,868.62
Decreased by Disbursements:	
2019 Appropriations	8,085,371.01
2018 Appropriations Reserves	321,639.81
Tax Overpayments	51,089.21
Due to State of New Jersey - DCA Fees	22,596.00
Due to State of New Jersey - Marriage Licenses	900.00
Municipal Open Space Taxes	318,150.00
Local District School Taxes	14,362,557.00
Regional High School Taxes	8,545,548.96
County Taxes Payable	8,798,734.11
Due County for Added and Omitted Taxes	44,206.10
Outside Police Services	143,603.22
Due Trust Fund	55,178.07
Due Federal & State Grant Fund	318,107.26
Due General Capital Fund	-
Due Utility Operating Fund	78,293.16
Due to County - Poll Workers	5,575.00
Refund of Prior Year Revenue	8,303.62
	41,159,852.53
Total Disbursements	41,159,852.53
Balance, December 31, 2019	\$ 1,323,016.09

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2019**

Tax Collector	\$	100.00
Municipal Clerk		100.00
Construction		100.00
Municipal Court		100.00
Police		200.00
Utilities Collector		<u>100.00</u>
Total	\$	<u><u>700.00</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2019**

YEAR	BALANCE DECEMBER 31, 2018	2019 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	OVERPAYMENTS CREATED	TRANSFER TO TAX TITLE LIENS	CANCELED/ REMITTED	BALANCE DECEMBER 31, 2019
				2018	2019						
2017	\$ 6.23	\$ -	\$ -	\$ 6.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	366,335.06	-	-	361,902.39	-	(1,535.62)	-	-	5,982.76	(34.47)	20.00
Total	366,341.29	35,793,154.88	407,985.44	361,908.62	-	(1,535.62)	-	-	5,982.76	(34.47)	20.00
2019	-	-	-	331,135.34	35,345,073.49	79,730.00	46,281.08	105,414.72	34,478.91	1,047.16	468,789.06
Total	\$ 366,341.29	\$ 35,793,154.88	\$ 407,985.44	\$ 693,043.96	\$ 35,345,073.49	\$ 78,214.38	\$ 46,281.08	\$ 105,414.72	\$ 40,461.67	\$ 1,012.69	\$ 468,809.06

ANALYSIS OF 2019 PROPERTY TAX LEVY

General Purpose Tax	\$ 35,793,154.88
Added & Omitted Taxes (54:4-6 et seq)	407,985.44
Total	\$ 36,201,140.32
TAX LEVY:	
Local District School Tax	\$ 14,362,563.00
Regional High School Tax	8,543,549.00
County Taxes	7,769,500.96
County Library Taxes	550,537.87
County Open Space Taxes	478,695.28
Due County for Added & Omitted Taxes	99,975.27
Municipal Open Space	318,150.00
Due Open Space Trust for Added & Omitted Taxes	2,732.98
Local Tax for Municipal Purposes	3,776,783.00
Additional Taxes Levied	296,652.96
Total	\$ 36,201,140.32

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$ 75,333.92
Increased by:		
Transfers From Taxes Receivable	\$ 40,461.67	
Adjustments to Liens	11,738.18	
Interest & Cost on Tax Sale	1,371.64	53,571.49
Balance, December 31, 2019		<u>\$ 128,905.41</u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZEN AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$	12,750.00
Increased by:			
Deductions per Tax Billing	\$	78,750.00	
Deductions Allowed by Tax Collector		1,000.00	79,750.00
			<hr/>
			92,500.00
Decreased by:			
2018 Deductions Disallowed by Tax Collector		1,535.62	
Collections		77,714.38	79,250.00
			<hr/>
Balance, December 31, 2019		\$	<u>13,250.00</u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	ACCRUED IN 2019	COLLECTED	BALANCE DECEMBER 31, 2019
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -
Other	-	2,018.00	2,018.00	-
Fees and Permits	-	30,537.00	30,537.00	-
Fines & Costs - Municipal Court	19,009.47	187,586.34	177,419.88	29,175.93
Interest & Costs on Taxes	-	97,525.44	97,525.44	-
Interest on Investments & Deposits	-	25,217.54	25,217.54	-
Cable Television Franchise Fee	-	34,126.15	34,126.15	-
Energy Receipts Tax	-	1,837,333.00	1,837,333.00	-
Uniform Construction Code Fees	-	289,851.00	289,851.00	-
Other Special Items:				
Interlocal Agreements:				
Crossing Guards - East Greenwich School District	-	71,363.19	71,363.19	-
Joint Municipal Court - Woodbury	-	279,024.13	279,024.13	-
Interfund - Water/Sewer Operating	-	104,618.00	104,618.00	-
Interfund - General Capital Fund	-	341,153.00	341,153.00	-
PILOT	-	334,953.60	334,953.60	-
Lease - US Postal Service	5,000.00	60,000.00	65,000.00	-
Police Outside Vehicle Use	-	31,684.75	31,684.75	-
	<hr/>			
Total Revenues	<u>\$ 24,009.47</u>	<u>\$ 3,736,991.14</u>	<u>\$ 3,731,824.68</u>	<u>\$ 29,175.93</u>

Cash Receipts	\$ 3,731,824.68
Interfunds	<u>-</u>
	<u>\$ 3,731,824.68</u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 241,090.28
Increased by:	
2019 Appropriations	<u>146,313.59</u>
	387,403.87
Decreased by:	
Transferred to Appropriation Reserves	<u>241,090.28</u>
Balance, December 31, 2019	<u><u>\$ 146,313.59</u></u>

**SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 5,191.53
Increased by:	
2019 Appropriation Reserves	<u>3,275.02</u>
Balance, December 31, 2019	<u><u>\$ 8,466.55</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT AND GRANT FUND
SCHEDULE OF DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	ADDED IN 2019	RAISED IN 2019 BUDGET	BALANCE DECEMBER 31, 2019
CURRENT FUND:				
Over-Expenditure of Current Year Appropriations	\$ 9,474.28	\$ -	\$ -	\$ 9,474.28
Over-Expenditure of Grant Appropriations	780.82	-	-	780.82
TOTAL CURRENT FUND	<u>10,255.10</u>	-	-	<u>10,255.10</u>
GRANT FUND:				
Over-Expenditure of Grant Appropriations - Grant	-	3,741.35	-	3,741.35
TOTAL GRANT FUND	-	<u>3,741.35</u>	-	<u>3,741.35</u>
Total	<u>\$ 10,255.10</u>	<u>\$ 3,741.35</u>	<u>\$ -</u>	<u>\$ 13,996.45</u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018			BALANCE AFTER			BALANCE LAPSED
	<u>RESERVED</u>	<u>ENCUMBERED</u>		<u>TRANSFERS</u>	<u>EXPENDED</u>		
General Government:							
General Administration:							
Salaries and Wages	\$ 82.01	\$ -	\$ 82.01	\$ -	\$ 82.01		
Other Expenses	462.10	431.54	893.64	437.49	456.15		
Mayor and Council:							
Salaries and Wages	280.40	-	280.40	-	280.40		
Municipal Clerk							
Codification of Ordinances - Other Expenses	-	790.17	790.17	790.17	-		
Financial Administration:							
Salaries and Wages	156.81	-	156.81	-	156.81		
Other Expenses	760.09	2,245.05	3,005.14	2,816.30	188.84		
Collection of Taxes:							
Salaries and Wages	3,262.81	-	3,262.81	-	3,262.81		
Other Expenses	2,030.59	6,256.28	8,286.87	6,597.22	1,689.65		
Legal Services and Costs:							
Other Expenses	13,278.54	2,665.50	15,944.04	8,477.42	7,466.62		
Engineering Services:							
Other Expenses	21,265.62	30,346.25	51,611.87	50,972.50	639.37		
Insurance:							
Employee Group Health	15,132.63	126.50	15,259.13	548.75	14,710.38		
Workers Compensation	420.00	-	420.00	-	420.00		
General Liability	606.00	-	606.00	-	606.00		
Public Buildings & Grounds:							
Salaries and Wages	190.60	-	190.60	-	190.60		
Other Expenses	2,216.01	3,136.83	5,352.84	4,900.09	452.75		
Environmental Commission:							
Salaries and Wages	700.00	-	700.00	-	700.00		
Other Expenses	500.00	-	500.00	-	500.00		
Planning Board:							
Salaries and Wages	497.36	-	497.36	-	497.36		
Other Expenses	203.06	909.20	1,112.26	920.88	191.38		
Zoning Officer:							
Salaries and Wages	311.48	-	311.48	-	311.48		
Other Expenses	100.00	-	100.00	-	100.00		
Fire:							
Other Expenses	50.44	43,842.42	43,892.86	43,892.86	-		
Police:							
Salaries and Wages	-	-	-	-	-		
Other Expenses	1,558.00	2,010.55	3,568.55	2,779.04	789.51		
Emergency Management Services:							
Salaries and Wages	15.89	-	15.89	-	15.89		
Other Expenses	78.04	3,103.98	3,182.02	2,923.98	258.04		
Municipal Court:							
Salaries and Wages	-	-	-	-	-		
Other Expenses	6,146.81	152.64	6,299.45	152.64	6,146.81		
Public Defender:							
Salaries and Wages	185.50	-	185.50	-	185.50		
Other Expenses	1,000.00	-	1,000.00	-	1,000.00		
Prosecutor:							
Salaries and Wages	655.91	-	655.91	-	655.91		
Other Expenses	500.00	-	500.00	-	500.00		
Road Repairs & Maintenance:							
Salaries and Wages	1,356.33	-	1,356.33	-	1,356.33		
Other Expenses	1,062.95	17,035.08	18,098.03	18,098.03	-		
Fleet Maintenance:							
Salaries and Wages	-	-	-	-	-		
Other Expenses	299.44	17,445.86	17,745.30	17,713.71	31.59		
Street Lighting							
Other Expenses	11,795.35	-	11,795.35	-	11,795.35		

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018		BALANCE AFTER TRANSFERS	EXPENDED	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Garbage and Trash Removal:					
Other Expenses	2,792.04	30,904.06	33,696.10	32,284.74	1,411.36
Shade Tree:					
Other Expenses	845.43	-	845.43	-	845.43
Recreation:					
Salaries and Wages	78.80	-	78.80	-	78.80
Other Expenses	1,339.08	2,870.77	4,209.85	3,349.47	860.38
Senior Citizens Program:					
Other Expenses	-	447.50	447.50	418.80	28.70
Construction Code Official:					
Salaries and Wages	55.26	-	55.26	-	55.26
Other Expenses	460.63	1,872.23	2,332.86	1,744.95	587.91
Subcode Officials:					
Building Inspector	168.02	-	168.02	-	168.02
Plumbing Inspector	337.95	-	337.95	-	337.95
Fire Inspector	454.60	-	454.60	-	454.60
Unclassified:					
Electricity	7,392.11	-	7,392.11	3,323.24	4,068.87
Telephone	380.06	2,492.04	2,872.10	2,654.54	217.56
Natural Gas	12,344.25	237.07	12,581.32	1,891.71	10,689.61
Gasoline	525.76	6,928.30	7,454.06	7,454.06	-
Accumulated Absences	10,000.00	-	10,000.00	-	10,000.00
Interlocal Agreement:					
Construction Code - Paulsboro					
Salaries and Wages	975.56	-	975.56	-	975.56
Other Expenses	543.11	500.00	1,043.11	500.00	543.11
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":					
Contribution to:					
Social Security	6,874.29	-	6,874.29	-	6,874.29
Public Employees Retirement System	0.26	-	0.26	-	0.26
Defined Contribution Retirement Program	123.46	-	123.46	-	123.46
Unemployment Insurance	3,950.00	-	3,950.00	-	3,950.00
Operations - Excluded from "CAPS"					
Interlocal Agreement:					
Trash Collection - Logan Township	43,600.00	32,400.00	76,000.00	64,800.00	11,200.00
Information & Technology - Kingsway School District	12,975.00	-	12,975.00	12,975.00	-
Crossing Guards - East Greenwich School District	1,022.59	-	1,022.59	-	1,022.59
Joint Municipal Court - Woodbury					
Salaries and Wages	2,026.53	-	2,026.53	-	2,026.53
Other Expenses	216.39	2,683.87	2,900.26	2,815.10	85.16
Capital Improvements:					
Fire Department Building	1,590.94	-	1,590.94	-	1,590.94
Road Resurfacing	-	28,682.14	28,682.14	28,682.14	-
Grand Total	\$ 198,232.89	\$ 240,515.83	\$ 438,748.72	\$ 324,914.83	\$ 113,833.89

Cash Disbursements	\$ 321,639.81
Accounts Payable	<u>3,275.02</u>
	<u>\$ 324,914.83</u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 331,135.34
Increased by:	
Collection of 2020 Taxes	<u>262,925.89</u>
	594,061.23
Decreased by:	
Application to 2019 Taxes	<u>331,135.34</u>
Balance, December 31, 2019	<u><u>\$ 262,925.89</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$ 50,939.51
Increased by:		
Adjustments to Overpayments	\$ 5,067.47	
Overpayments Created	105,414.72	110,482.19
		<hr/>
Subtotal		161,421.70
Decreased by:		
Applied to Tax Receivable	46,281.08	
Cash Disbursements - Overpayments Refunded	51,089.21	97,370.29
		<hr/>
Balance, December 31, 2019		<u><u>\$ 64,051.41</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ (6.00)
Increased by:	
Levy - 2019 Calendar Year	<u>14,362,563.00</u>
	14,362,557.00
Decreased by:	
Payments	<u>14,362,557.00</u>
Balance December 31, 2019	<u><u>\$ -</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 0.82
Increased by:	
Levy - 2019 Calendar Year	<u>8,545,549.00</u>
	8,545,549.82
Decreased by:	
Payments	<u>8,545,548.96</u>
Balance December 31, 2019	<u><u>\$ 0.86</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$	-
Increased by:			
General County Taxes	\$ 7,769,500.96		
County Library Taxes	550,537.87		
County Open Space Preservation	478,695.28		8,798,734.11
			<u>8,798,734.11</u>
Decreased by:			
Payments			<u>8,798,734.11</u>
Balance, December 31, 2019		\$	<u><u>-</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 44,206.10
Increased by:	
County Share of 2019 Added and Omitted Taxes	<u>99,975.27</u>
	144,181.37
Decreased by:	
Payments	<u>44,206.10</u>
Balance, December 31, 2019	<u><u>\$ 99,975.27</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF DUE STATE OF NEW JERSEY - DCA FEES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 8,021.00
Increased by:	
Fees Collected	<u>20,891.00</u>
	28,912.00
Decreased by:	
Payments	<u>22,596.00</u>
Balance, December 31, 2019	<u><u>\$ 6,316.00</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF DUE STATE OF NEW JERSEY - MARRIAGE LICENSES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 1,700.00
Increased by:	
Fees Collected	<u>980.00</u>
	2,680.00
Decreased by:	
Payments	<u>900.00</u>
Balance, December 31, 2019	<u><u>\$ 1,780.00</u></u>

**TOWNSHIP OF EAST GREENWICH
CURRENT FUND
SCHEDULE OF DUE FROM GLOUCESTER COUNTY - POLL WORKERS
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ -
Increased by:	
Cash Disbursements	<u>5,575.00</u>
	5,575.00
Decreased by:	
Cash Receipts	<u>5,575.00</u>
	-
Balance, December 31, 2019	<u><u>\$ -</u></u>

**TOWNSHIP OF EAST GREENWICH
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 320,588.38
Increased by:	
Cash Receipts	<u>133,051.40</u>
	453,639.78
Decreased by:	
Cash Disbursed by Current Fund	<u>318,107.26</u>
Balance, December 31, 2019	<u><u>\$ 135,532.52</u></u>

**TOWNSHIP OF EAST GREENWICH
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	ACCRUED	RECEIVED	TRANSFER FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2019
Federal Grant Awards:					
FEMA	\$ -	\$ 650.00	\$ -	\$ 650.00	\$ -
Total Federal Grants	-	650.00	-	650.00	-
State Grant Awards:					
Alcohol Education & Rehabilitation Fund	-	1,044.87	-	1,044.87	-
Body Armor Replacement	-	2,411.00	2,411.00	-	-
Clean Communities Grant	-	23,470.11	-	23,470.11	-
Drive Sober or Get Pulled Over	1,167.50	2,200.00	880.00	2,200.00	287.50
Drunk Driving Enforcement Grant	3,553.07	-	-	-	3,553.07
JIF Safety Incentive Programs	1,662.33	2,000.00	-	2,000.00	1,662.33
JIF Safety Program	-	540.00	-	540.00	-
Municipal Alliance on Alcoholism and Drug Abuse	13,236.70	-	10,627.00	-	2,609.70
Recycling Tonnage Grant	-	13,766.00	-	13,766.00	-
Safe & Secure Communities	17,287.00	-	17,287.00	-	-
Sidewalk & Pedestrian Safety Improvements	306.00	-	-	-	306.00
Sustainable Jersey Grant	25,000.00	-	-	-	25,000.00
Swedesboro Avenue Phase II	67,500.00	-	-	-	67,500.00
Total State Grants	129,712.60	45,431.98	31,205.00	43,020.98	100,918.60
Total Grants	\$ 129,712.60	\$ 46,081.98	\$ 31,205.00	\$ 43,670.98	\$ 100,918.60

Original Budget	\$ 19,367.00
Chapter 159	26,714.98
Total	\$ 46,081.98

**TOWNSHIP OF EAST GREENWICH
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	TRANSFERRED FROM 2019 BUDGET	ENCUMBRANCES RECLASSIFIED	EXPENDED	ENCUMBRANCES	BALANCE DECEMBER 31, 2019	OVER- EXPENDITURE
Local Grants:							
Safe & Secure Communities - Local Match	\$ 9,845.00	\$ -	\$ -	\$ -	\$ -	9,845.00	-
Municipal Alliance on Alcoholism and Drug Abuse - Local Match	2,657.00	-	-	-	-	2,657.00	-
FIRE Grant - Local Match	3,962.00	-	-	-	-	3,962.00	-
Donation for Policy Body Cameras	1,500.00	-	-	-	-	1,500.00	-
Total Local Grants	17,964.00	-	-	-	-	17,964.00	-
State Grants:							
Safe & Secure Communities	32,130.25	-	-	-	-	32,130.25	-
Clean Communities Grant	21,005.95	23,470.11	14,699.98	15,902.36	-	43,273.68	-
Recycling Tonnage Grant	1,602.71	13,766.00	3,962.83	13,019.68	792.52	5,519.34	-
Drunk Driving Enforcement Fund	2,425.31	-	-	-	-	2,425.31	-
Drive Sober or Get Pulled Over	610.00	2,200.00	-	2,200.00	-	610.00	-
Body Armor Fund	-	2,411.00	-	2,055.20	-	355.80	-
2013 Municipal Alliance on Alcoholism and Drug Abuse	133.12	-	-	-	-	133.12	-
2014 Municipal Alliance on Alcoholism and Drug Abuse	3.29	-	-	-	-	3.29	-
2015 Municipal Alliance on Alcoholism and Drug Abuse	7,527.00	-	-	-	-	7,527.00	-
2017 Municipal Alliance on Alcoholism and Drug Abuse	2,000.98	-	-	-	-	2,000.98	-
2018 Municipal Alliance on Alcoholism and Drug Abuse	6,484.00	-	2,200.00	8,639.78	-	44.22	-
2010 Alcohol, Education and Rehabilitation	375.09	-	150.00	-	150.00	375.09	-
2011 Alcohol, Education and Rehabilitation	6,202.19	-	-	-	-	6,202.19	-
2012 Alcohol, Education and Rehabilitation	1,662.48	-	-	-	-	1,662.48	-
2014 Alcohol, Education and Rehabilitation	1,169.34	1,044.87	-	-	-	2,214.21	-
2015 Alcohol, Education and Rehabilitation	472.64	-	-	-	-	472.64	-
2016 Alcohol, Education and Rehabilitation	884.00	-	-	-	-	884.00	-
2017 Alcohol, Education and Rehabilitation	450.38	-	-	-	-	450.38	-
2018 Alcohol, Education and Rehabilitation	366.16	-	-	-	-	366.16	-
JIF Safety Program	0.53	2,000.00	-	2,000.00	-	0.53	-
JIF Safety Incentive Program	237.97	540.00	655.68	4,290.24	884.76	-	3,741.35
Sustainable Jersey Grant	25,000.00	-	-	-	-	25,000.00	-
Swedesboro Avenue Phase II	270,000.00	-	-	270,000.00	-	-	-
Total State Grants	380,743.39	45,431.98	21,668.49	318,107.26	1,827.28	131,650.67	3,741.35
Federal Grants:							
CDBG - ADA Bleachers Compliance	55.95	-	-	-	-	55.95	-
CDBG - ADA Restroom Compliance	977.33	-	-	-	-	977.33	-
FEMA	-	650.00	-	-	-	650.00	-
Total Federal Grants	1,033.28	650.00	-	-	-	1,683.28	-
Total	\$ 399,740.67	\$ 46,081.98	\$ 21,668.49	\$ 318,107.26	\$ 1,827.28	\$ 151,297.95	\$ 3,741.35
Realized as Revenue in Budget	\$ -	\$ 46,081.98	-	-	-	-	-
Local Match	-	-	-	-	-	-	-
	\$ -	\$ 46,081.98	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWNSHIP OF EAST GREENWICH
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2019**

GRANT	BALANCE DECEMBER 31, 2018	FEDERAL AND STATE GRANTS RECEIVED	REALIZED AS REVENUE IN 2019	BALANCE DECEMBER 31, 2019
State Grants:				
Recycling Tonnage Grant	\$ 13,766.42	\$ 15,266.42	\$ 13,766.00	\$ 15,266.84
JIF Safety Program	540.00	7,005.00	540.00	7,005.00
JIF Safety Incentive Program	2,000.00	-	2,000.00	-
Distracted Driving	2,200.00	1,540.00	-	3,740.00
Click it or Ticket	800.00	1,320.00	-	2,120.00
Drive Sober Get Pulled Over	-	2,200.00	2,200.00	-
AERF	-	1,044.87	1,044.87	-
Clean Communities Grant	-	23,470.11	23,470.11	-
Federal Grants:				
FEMA	650.00	-	650.00	-
CDBG - Hidden Acres	-	50,000.00	-	50,000.00
Total Grants	<u>\$ 19,956.42</u>	<u>\$ 101,846.40</u>	<u>\$ 43,670.98</u>	<u>\$ 78,131.84</u>

**TOWNSHIP OF EAST GREENWICH
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 21,668.49
Increased by:	
Reserve for Encumbrances - Appropriated	<u>1,827.28</u>
	23,495.77
Decreased by:	
Prior Year Encumbrances Reclassified	<u>21,668.49</u>
Balance, December 31, 2019	<u><u>\$ 1,827.28</u></u>

TRUST FUND

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**TOWNSHIP OF EAST GREENWICH
TRUST FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2019**

	ANIMAL CONTROL FUND	MUNICIPAL OPEN SPACE TRUST FUND	TRUST - OTHER
Balance, December 31, 2018	\$ 25,720.76	\$ 75,268.75	\$ 1,000,169.19
Increased by Receipts:			
Dog License Fees	\$ 12,034.30	-	-
Due to State Department of Health	1,606.20	-	-
Amount to be Raised by Taxation	-	318,150.00	-
Added Taxes - Open Space	-	3,577.03	-
Interest Earned - Opens Space	-	353.70	-
Due Current Fund	5,410.17	55,178.07	8,518.13
Miscellaneous Trust Reserves	-	-	5,276,861.18
Total Increases	<u>19,050.67</u>	<u>377,258.80</u>	<u>5,285,379.31</u>
Total Increases & Balances	<u>44,771.43</u>	<u>452,527.55</u>	<u>6,285,548.50</u>
Decreased by Disbursements:			
Reserve for Animal Control Fund Expenditures	30,435.40	-	-
Disbursed to State Department of Health	1,606.20	-	-
Reserve for Open Space	-	308,372.95	-
Miscellaneous Trust Reserves	-	-	5,151,249.59
Total Disbursements	<u>32,041.60</u>	<u>308,372.95</u>	<u>5,151,249.59</u>
Balance, December 31, 2019	<u>\$ 12,729.83</u>	<u>\$ 144,154.60</u>	<u>\$ 1,134,298.91</u>

**TOWNSHIP OF EAST GREENWICH
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$	18,884.80
Increased by:		
2019 Dog License Fees Collected		12,034.30
Subtotal		30,919.10
Decreased by:		
Disbursements		30,435.40
Balance, December 31, 2019	\$	483.70

LICENSE FEES COLLECTED

2018	\$	10,197.10
2017		12,000.00
Total	\$	22,197.10

**TOWNSHIP OF EAST GREENWICH
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO/(FROM) STATE DEPARTMENT OF HEALTH
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ -
Increased by:	
Fees Collected	<u>1,606.20</u>
Subtotal	1,606.20
Decreased by:	
Disbursements	<u>1,606.20</u>
Balance, December 31, 2019	<u><u>\$ -</u></u>

**TOWNSHIP OF EAST GREENWICH
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 14,237.86
Increased by:		
Amount to be Raised by Taxation	\$ 318,150.00	
Added Open Space Taxes - Current Year	2,732.98	
Interest Earned	353.70	321,236.68
		<hr/>
Subtotal		335,474.54
Decreased by:		
Open Space Expenditures	308,372.95	
Encumbrances Payable	4,271.82	312,644.77
		<hr/>
Balance December 31, 2019		<u>\$ 22,829.77</u>

**TOWNSHIP OF EAST GREENWICH
OPEN SPACE TRUST FUND
SCHEDULE OF MUNICIPAL OPEN SPACE 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2019	<u><u>\$ -</u></u>
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**SCHEDULE OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ -
Increased by:	
Current Year Budget Charges	<u>4,271.82</u>
Balance, December 31, 2019	<u><u>\$ 4,271.82</u></u>

**TOWNSHIP OF EAST GREENWICH
OPEN SPACE TRUST FUND
SCHEDULE OF DUE FROM/(TO) CURRENT FUND
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$ 3,577.03
Increased by:		
2019 Open Space Taxes Receivable	\$ 318,150.00	
2019 Added Open Space Taxes	2,732.98	<u>320,882.98</u>
Subtotal		324,460.01
Decreased by:		
Revenues Received by Current Fund	318,150.00	
Transfers	3,577.03	<u>321,727.03</u>
Balance, December 31, 2019		<u>\$ 2,732.98</u>

**TOWNSHIP OF EAST GREENWICH
TRUST FUND - OTHER
SCHEDULE OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2019
TTL Redemption	\$ 611.55	60,601.44	48,846.08	\$ 12,366.91
Tax Sale Premium	178,929.70	47,300.00	83,900.00	142,329.70
POAA	3,865.98	456.00	-	4,321.98
COAH Fees	725,833.26	32,411.95	14,335.53	743,909.68
Unemployment Claims Payable	18,637.83	91.90	449.22	18,280.51
Recreation Fees	4,233.20	6.13	4,000.00	239.33
Public Defender	25,660.00	6,940.00	-	32,600.00
Federal Equitable Sharing	1,412.33	7.06	-	1,419.39
Developers Escrow Deposits	6.80	733,524.97	625,231.36	108,300.41
Weathervane Entrance	55.31	0.23	-	55.54
Weathervane Conrail	543.24	2.69	-	545.93
Cameron Court	1,826.60	9.16	-	1,835.76
Uniform Fire Penalties Rider	334.35	1.66	-	336.01
Payroll Deductions Payable	22,059.76	4,286,978.48	4,261,504.76	47,533.48
Police Outside Detail	14,429.18	108,529.51	112,982.64	9,976.05
	<hr/>			
Total	\$ 998,439.09	\$ 5,276,861.18	\$ 5,151,249.59	\$ 1,124,050.68

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GENERAL CAPITAL FUND

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**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ -
Increased by:	
Premiums Received on Proceeds of Notes Issued	<u>7,673.59</u>
Balance December 31, 2019	<u><u>\$ 7,673.59</u></u>

TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
YEAR ENDED DECEMBER 31, 2019

	BALANCE DECEMBER 31, 2018	BOND ANTICIPATION NOTES	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2019
			MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	FROM	TO		
Capital Improvement Fund	\$ 37,042.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(12,282.00)
Fund Balance	-	-	7,673.59	-	-	49,324.00	-	-	7,673.59
Contracts Payable	1,690.00	-	-	-	1,690.00	-	-	-	14,548.46
Encumbrances Payable	-	-	-	-	-	-	-	-	14,548.46
State Grants Receivable	(357.20)	-	202,500.00	-	-	270,000.00	-	-	(67,857.20)
Due from Current Fund	345,191.27	-	28,564.27	-	373,755.54	25,728.00	-	-	(25,728.00)
Due from Grant Fund	(8,935.40)	-	-	-	-	-	-	-	(8,935.40)
Due from Open Space Trust Fund	(64,607.92)	-	69,055.79	-	-	-	-	25,728.00	(64,607.92)
Due Water Utility Capital Fund	-	-	-	-	-	-	-	-	94,783.79
Reserve to Pay Debt	2,645.88	-	-	-	-	-	-	-	2,645.88
Reserve for Downpayment	8,426.00	-	-	-	-	8,426.00	-	-	-
Reserve for Lighting Improvements	10,000.00	-	-	-	-	-	-	-	10,000.00
ORDINANCE NUMBER									
IMPROVEMENT AUTHORIZATIONS									
8-14	7,529.12	-	-	5,666.03	-	-	-	-	1,863.09
10-14	(13,500.00)	-	-	-	-	-	-	-	(13,500.00)
9-15	(344,337.30)	344,375.00	-	-	-	-	-	-	37.70
1-17	81.25	-	-	-	-	-	-	-	81.25
6-17	132.30	-	-	-	-	-	-	-	132.30
6-18	19,000.00	-	-	-	-	-	-	-	19,000.00
5-19	-	-	-	18,375.87	-	14,548.46	-	-	7,075.67
9-19	-	337,250.00	-	577,393.52	-	-	-	287,750.00	47,606.48
Total	\$ -	\$ 681,625.00	\$ 307,793.65	\$ 601,435.42	\$ 375,445.54	\$ 368,026.46	\$ 368,026.46	\$ -	\$ 12,537.69

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$	357.20
Increased by:		
Grant Awarded for Quaker Road		270,000.00
Sub-total		270,357.20
Decreased by:		
Collections		202,500.00
Balance, December 31, 2019	\$	67,857.20

	<u>Agency</u>	<u>Ordinance No.</u>	
New Jersey Department of Transportation		7-2012	\$ 357.20
NJDOT Grant - Quaker & Swedesboro Road		9-2019	67,500.00
			\$ 67,857.20

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 10,180,000.00
Decreased by:	
Paydown of Serial Bonds by Budget Appropriation	<u>750,000.00</u>
Balance, December 31, 2019	<u><u>\$ 9,430,000.00</u></u>

TOWNSHIP OF EAST GREENWICH
 GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
 YEAR ENDED DECEMBER 31, 2019

ORDINANCE NUMBER	DESCRIPTION	BALANCE DECEMBER 31, 2018	2019 AUTHORIZATIONS	NOTE PAYDOWN	BALANCE DECEMBER 31, 2019	BOND ANTICIPATION NOTES	ANALYSIS OF BALANCE	
							EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
8-14	Various Capital Improvements	\$ 772.00	\$ -	\$ -	\$ 772.00	\$ -	\$ 772.00	\$ -
10-14	Refunding Bond Ordinance	217,500.00	-	60,100.00	157,400.00	13,500.00	13,500.00	143,900.00
9-15	Various Capital Improvements	344,375.00	-	-	344,375.00	344,375.00	-	-
6-17	Various Capital Improvements	831,426.00	-	-	831,426.00	831,426.00	-	-
9-2019	Quaker & Swedesboro Roads		337,250.00		337,250.00	337,250.00		
Total		\$ 1,394,073.00	\$ 337,250.00	\$ 60,100.00	\$ 1,671,223.00	\$ 1,513,051.00	\$ 14,272.00	\$ 143,900.00

Improvement Authorizations Unfunded	\$	191,676.48
Less - Unexpended Proceeds of Bond		
Anticipation Notes:		
Ordinance 6-17		(132.30)
Ordinance 9-15		(37.70)
Ordinance 9-19		(47,606.48)
	\$	<u>143,900.00</u>

TOWNSHIP OF EAST GREENWICH
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2019

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE, DECEMBER 31, 2018		2019 AUTHORIZATIONS	ENCUMBRANCES PAYABLE	EXPENDED	BALANCE, DECEMBER 31, 2019	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
8-14	Various Capital Improvements (a) Resurfacing of Various Streets (b) Acquisition of Chipper (d) Acquisition of Trash Carts (e) Acquisition of 4-Wheel Drive Vehicle (h) Acquisition of Computer Equipment & Software for Construction Office	5/27/14	117,000.00 49,000.00 12,000.00 60,000.00 15,000.00	\$ - 1,936.36 635.00 2,000.09 3,729.67	\$ - - - - -	- - - - -	- - - - -	\$ - 1,936.36 - - 3,729.67	\$ - - 635.00 2,000.09 -	- - - - -
10-14	Refunding Bond Ordinance	6/24/14	472,500.00	-	143,900.00	-	-	-	-	143,900.00
9-15	Various Capital Improvements (b) Acquisition of Camera System (c) Acquisition of Body & In-Car Cameras (d) Acquisition of Radios (e) Resurfacing of Various Streets	9/8/15	40,000.00 92,500.00 50,000.00 300,000.00	- - - -	- - - 37.70	- - - -	- - - -	- - - -	- - - -	- - - 37.70
1-17	Telephone System Improvements	2/14/17	15,000.00	81.25	-	-	-	-	81.25	-
6-17	Various Capital Improvements	7/11/17	873,000.00	-	132.30	-	-	-	-	132.30
6-18	Solar Crosswalk Lights	6/12/18	19,000.00	19,000.00	-	-	-	-	19,000.00	-
5-2019	Improvements to Municipal Building	4/23/19	40,000.00	-	-	40,000.00	14,548.46	18,375.87	7,075.67	-
9-2019	Quaker & Swedeshboro Roads	8/1/19	625,000.00	-	-	625,000.00	-	577,393.52	-	47,606.48
				\$ 27,382.37	\$ 144,070.00	\$ 665,000.00	\$ 14,548.46	\$ 601,435.42	\$ 28,792.01	\$ 191,676.48
				Capital Improvement Fund	\$ 49,324.00					
				Down Payment on Improvement	8,426.00					
				DOT Grant	270,000.00					
				D/C Unfunded	337,250.00					
				\$ 665,000.00						
				Refunds	\$ (24,492.53)					
				Contracts Payable	(1,690.00)					
				Cash Disbursed	627,617.95					
				\$ 601,435.42						

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 37,042.00
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>49,324.00</u>
Balance, December 31, 2019	<u><u>\$ (12,282.00)</u></u>

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 1,690.00
Increased by:	
Transfer from Improvement Authorizations	<u> </u>
Subtotal	1,690.00
Decreased by:	
Reclassified to Improvement Authorizations	<u> </u> 1,690.00
Balance, December 31, 2019	<u><u> </u></u> \$ -

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL DATE OF ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2018	ISSUED	DECREASED	BALANCE DECEMBER 31, 2019
10-14	Refunding Bond Ordinance	12/30/2014	12/12/2018	12/12/2019	2.00%	\$ 60,100.00	-	\$ 60,100.00	\$ -
6-17	Various Capital Improvements	12/12/2017	12/12/2018 12/10/2019	12/12/2019 12/10/2020	2.00% 2.00%	831,426.00	- 831,426.00	831,426.00 -	- 831,426.00
9-2015	Various Capital Improvements	12/10/2019	12/10/2019	12/10/2020	2.00%		344,375.00		344,375.00
9-2019	Quaker & Swededsboro Roads	12/10/2019	12/10/2019	12/10/2020	2.00%		337,250.00		337,250.00
Total						\$ 891,526.00	\$ 1,513,051.00	\$ 891,526.00	\$ 1,513,051.00

Renewed in the Current Year	\$ 831,426.00	\$ 831,426.00
New BANS Issued	681,625.00	
Paid by Current Fund Budget Appropriation	-	60,100.00
	<u>\$ 1,513,051.00</u>	<u>\$ 891,526.00</u>

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2019**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2018	DECREASED	BALANCE DECEMBER 31, 2019
			DATE	AMOUNT				
General Bonds of 2014	11/10/2014	4,290,000.00	11/1/2020	300,000.00	2.250%	\$ 3,630,000.00	\$ 190,000.00	\$ 3,440,000.00
			11/1/2021	300,000.00	2.250%			
			11/1/2022	300,000.00	2.250%			
			11/1/2023	300,000.00	2.250%			
			11/1/2024	300,000.00	2.500%			
			11/1/2025	300,000.00	3.000%			
			11/1/2026	300,000.00	3.000%			
			11/1/2027	300,000.00	3.000%			
			11/1/2028	290,000.00	3.000%			
			11/1/2029	250,000.00	3.000%			
			11/1/2030	250,000.00	3.000%			
		11/1/2031	250,000.00	3.000%				
Refunding Bonds 2016	08/10/2016	6,585,000.00	08/01/20	575,000.00	1.500%	6,550,000.00	560,000.00	5,990,000.00
			08/01/21	590,000.00	4.000%			
			08/01/22	615,000.00	4.000%			
			08/01/23	645,000.00	4.000%			
			08/01/24	675,000.00	4.000%			
			08/01/25	700,000.00	3.000%			
			08/01/26	730,000.00	3.000%			
			08/01/27	735,000.00	3.250%			
			08/01/28	725,000.00	3.500%			
					Total		\$ 10,180,000.00	\$ 750,000.00

Paid by Municipal Open Space Trust Budget Appropriation	\$	155,000.00
Paid by Current Fund Budget Appropriation	\$	595,000.00
	\$	<u>750,000.00</u>

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM / (TO) CURRENT FUND
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$ 345,191.27
Increased by:		
Cash Received by Current Fund	\$ 28,564.27	
NJIB Loan Proceeds Received by Current Fund	<u>25,728.00</u>	
		<u>54,292.27</u>
Subtotal		399,483.54
Decreased by:		
Miscellaneous Adjustment	32,602.54	
Reserve for Interfund Anticipated by Current Fund	<u>341,153.00</u>	
		<u>373,755.54</u>
Balance, December 31, 2019		<u><u>\$ 25,728.00</u></u>

**TOWNSHIP OF EAST GREENWICH
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTIO	BALANCE DECEMBER 31, 2018	2019 AUTHORIZED	NOTES ISSUED	BALANCE DECEMBER 31, 2019
8-14	Various Capital Improvements	\$ 772.00	\$ -	\$ -	\$ 772.00
10-14	Refunding Bond Ordinance	157,400.00	-	-	157,400.00
9-15	Various Capital Improvements	344,375.00	-	344,375.00	-
9+2019	Quaker & Swededsboro Roads	-	337,250.00	337,250.00	-
	Total	<u>\$ 502,547.00</u>	<u>\$ 337,250.00</u>	<u>\$ 681,625.00</u>	<u>\$ 158,172.00</u>

WATER-SEWER UTILITY FUND

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**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY FUND
SCHEDULE OF UTILITY CASH
YEAR ENDED DECEMBER 31, 2019**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2018	\$ 659,598.14	\$ 31,623.00
Increased by Receipts:		
Consumer Accounts Receivable	\$ 2,947,440.66	\$ -
Prepaid Rents	5,620.67	-
Miscellaneous Revenue Anticipated	298,674.84	-
Due to Current Fund	78,293.16	-
Due to W&S Operating Fund	-	93,548.32
	<u>3,330,029.33</u>	<u>93,548.32</u>
Subtotal	<u>3,989,627.47</u>	<u>125,171.32</u>
Decreased by Disbursements:		
2019 Budget Appropriations	2,866,658.73	-
2018 Appropriation Reserves	137,990.73	-
Improvement Authorizations	-	42,009.73
Due to W&S Capital Fund	93,548.32	-
Due General Capital Fund	-	69,055.79
Interest on Bonds	156,668.55	-
Reserve for Unallocated Receipts	27,353.27	-
	<u>3,282,219.60</u>	<u>111,065.52</u>
Balance, December 31, 2019	<u>\$ 707,407.87</u>	<u>\$ 14,105.80</u>

**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2019
		MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	MISCELLANEOUS	FROM	TO	
Capital Improvement Fund	\$ 32,609.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,609.00
Encumbrances Payable	6,683.80	-	-	6,683.80	-	-	-	-
Due from Current Fund	(6,684.21)	-	-	-	-	-	25,728.00	19,043.79
Due to Water & Sewer Operating Fund	-	93,548.32	-	-	-	-	-	93,548.32
Due From General Capital Fund	-	-	-	69,055.79	-	25,728.00	-	(94,783.79)
NJEIT Receivable	(2,204,460.00)	-	-	-	-	-	25,728.00	(2,178,732.00)
ORDINANCE NUMBER								
7-2014								
3/2018								
Purpose								
Utility Truck & Water Meters	(986.00)	-	-	-	-	-	-	(986.00)
Various Water System Improvements	2,204,460.41	-	35,325.93	-	-	25,728.00	-	2,143,406.48
Total	\$ 31,623.00	\$ 93,548.32	\$ 35,325.93	\$ 75,739.59	\$ 51,456.00	\$ 51,456.00	\$ 51,456.00	\$ 14,105.80

**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018			\$ 59,947.80
Increased by:			
Rents Levied in 2019			<u>2,939,998.19</u>
Subtotal			2,999,945.99
Decreased by:			
Prepays Applied	\$ 8,223.78		
Collections	<u>2,947,440.66</u>	<u>2,955,664.44</u>	
Balance, December 31, 2019			<u><u>\$ 44,281.55</u></u>

**TOWNSHIP OF EAST GREENWICH
 WATER/SEWER UTILITY OPERATING FUND
 SCHEDULE OF DEFERRED CHARGES
 YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	INCREASES	RAISED IN 2019 BUDGET	BALANCE DECEMBER 31, 2019
Operating Deficit	\$ 50,548.69	\$ -	\$ 24,728.00	\$ 25,820.69
	<u>\$ 50,548.69</u>	<u>\$ -</u>	<u>\$ 24,728.00</u>	<u>\$ 25,820.69</u>

**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 15,616,935.45
Increased by:	
Capital Outlay Expenditures	<u>184,094.64</u>
Balance, December 31, 2019	<u><u>\$ 15,801,030.09</u></u>

**TOWNSHIP OF EAST GREENWICH
 WATER-SEWER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
 YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DECEMBER 31, 2018	AUTHORIZED	BALANCE DECEMBER 31, 2019
10-14	Refunding Bond Ordinance	6/24/2014	\$ 77,500.00	\$ 77,500.00	\$ -	\$ 77,500.00
3-18	Various Water System Improvements	2/13/2018	2,280,200.00	2,280,200.00	-	2,280,200.00
Total				\$ 2,357,700.00	\$ -	\$ 2,357,700.00

**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019**

	BALANCE, RESERVED	ENCUMBERED	BALANCE AFTER TRANSFER	DISBURSED	BALANCE LAPSED
Operations:					
Salaries & Wages	\$ 9,130.35	\$ -	\$ 9,130.35	\$ 1,163.90	\$ 7,966.45
Other Expenses	27,638.27	47,472.62	75,110.89	75,110.89	-
Gloucester County Utilities Authority	14,922.22	-	14,922.22	14,922.22	-
New Jersey American Water	20,661.08	-	20,661.08	20,661.08	-
Group Insurance for Employees	24,040.63	-	24,040.63	-	24,040.63
Capital Improvements:					
Capital Outlay	-	26,315.00	26,315.00	26,315.00	-
Statutory Expenditures:					
Social Security System	765.33	-	765.33	-	765.33
Unemployment Compensation	5,000.00	-	5,000.00	-	5,000.00
Total	\$ 102,157.88	\$ 73,787.62	\$ 175,945.50	\$ 138,173.09	\$ 37,772.41

**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 8,223.78
Increased by:	
Collected in 2019	<u>5,620.67</u>
Subtotal	13,844.45
Decreased by:	
Applied to Consumer Accounts Receivable	<u>8,223.78</u>
Balance, December 31, 2019	<u><u>\$ 5,620.67</u></u>

**WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER/SEWER LIENS
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2019 and 2018	<u><u>\$ -</u></u>
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**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$	33,772.96
Increased by:		
Budget Appropriations for:		
Interest on Bonds		155,267.25
Subtotal		189,040.21
Decreased by:		
Interest Paid		156,668.55
Balance, December 31, 2019	\$	32,371.66

Analysis of Accrued Interest December 31, 2019

	Principal Outstanding Dec. 31, 2019	Interest Rate	From	To	Period	Amount
Water/Sewer Bonds of 2014	\$ 4,327,000.00	Various	11/01/19	12/31/19	61 Days	\$ 20,262.65
Water/Sewer Refunding Bonds - 2016	855,000.00	Various	08/01/19	12/31/19	153 Days	12,109.01
						\$ 32,371.66

TOWNSHIP OF EAST GREENWICH
 WATER-SEWER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2019

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2018		AUTHORIZED	ENCUMBRANCES RECLASSIFIED	EXPENDED	BALANCE DECEMBER 31, 2019	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
10-14	Refunding Bond Ordinance	6/24/2014	77,500.00 \$	-	\$ 77,500.00	\$ -	\$ -	\$ -	\$ -	\$ 77,500.00
3-18	Various Water System Improvements	2/13/2018	2,280,200.00	2,204,460.41	-	-	6,683.80	67,737.73	2,143,406.48	-
			\$ 2,204,460.41	\$ 77,500.00	\$ -	\$ -	6,683.80	\$ 67,737.73	\$ 2,143,406.48	\$ 77,500.00

Cash Disbursements	\$ 42,009.73
Due from Current Fund	25,728.00
	<u>\$ 67,737.73</u>

**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2019 and 2018

\$ 32,609.00

**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018			\$ 10,143,949.45
Increased by:			
Capital Outlay Expenditures	\$	184,094.64	
Payment of Bonds		290,000.00	474,094.64
Balance, December 31, 2019			<u><u>\$ 10,618,044.09</u></u>

**TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2019**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2018	BONDS ISSUED	DECREASED	BALANCE DECEMBER 31, 2019	
			DECEMBER 31, 2019	AMOUNT						
General Obligation Bonds 2014	11/10/2014	5,292,000.00	11/1/2020	220,000.00	2.250%	\$ 4,537,000.00	\$ -	\$ 210,000.00	\$ 4,327,000.00	
			11/1/2021	230,000.00	2.250%					
			11/1/2022	240,000.00	2.250%					
			11/1/2023	250,000.00	2.250%					
			11/1/2024	260,000.00	2.500%					
			11/1/2025	270,000.00	3.000%					
			11/1/2026	275,000.00	3.000%					
			11/1/2027	285,000.00	3.000%					
			11/1/2028	295,000.00	3.000%					
			11/1/2029	310,000.00	3.000%					
			11/1/2030	320,000.00	3.000%					
			11/1/2031	335,000.00	3.000%					
			11/1/2032	340,000.00	3.000%					
			11/1/2033	350,000.00	3.000%					
		11/1/2034	347,000.00	3.125%						
Refunding Bonds 2016	8/10/2016	935,000.00	8/1/2020	80,000.00	1.500%	935,000.00	-	80,000.00	855,000.00	
			8/1/2021	90,000.00	4.000%					
			8/1/2022	90,000.00	4.000%					
			8/1/2023	90,000.00	4.000%					
			8/1/2024	100,000.00	4.000%					
			8/1/2025	105,000.00	3.000%					
			8/1/2026	105,000.00	3.000%					
			8/1/2027	95,000.00	3.250%					
			8/1/2028	100,000.00	3.500%					
Total										
							\$ 5,472,000.00	\$ -	\$ 290,000.00	\$ 5,182,000.00

**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 126,099.56
Increased by:	
Cash Receipts	<u>78,293.16</u>
Balance, December 31, 2019	<u><u>\$ 204,392.72</u></u>

TOWNSHIP OF EAST GREENWICH
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2019

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	INTEREST RATE	BALANCE DECEMBER 31, 2018	LOANS ISSUED	DECREASED	BALANCE DECEMBER 31, 2019
2018 NJIB LOANS	7/25/2018	\$ 2,280,200.00	0.00%	\$ 2,280,200.00	- \$	-	\$ 2,280,200.00
	Total			\$ 2,280,200.00	\$ -	\$ -	\$ 2,280,200.00

**TOWNSHIP OF EAST GREENWICH
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJIG LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 2,204,460.00
Decreased by:	
Received by Current Fund	<u>25,728.00</u>
Balance, December 31, 2019	<u><u>\$ 2,178,732.00</u></u>

**TOWNSHIP OF EAST GREENWICH
UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2018	2019 AUTHORIZATIONS	LOANS ISSUED	BALANCE DECEMBER 31, 2019
7-2014	Utility Truck & Water Meters	\$ 986.00	-	-	\$ 986.00
10-2014	Refunding Bond Ordinance	77,500.00	-	-	77,500.00
Total		<u>\$ 78,486.00</u>	<u>-</u>	<u>-</u>	<u>\$ 78,486.00</u>

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GENERAL FIXED ASSETS

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**TOWNSHIP OF EAST GREENWICH
SCHEDULE OF GENERAL FIXED ASSETS
DECEMBER 31, 2019 AND 2018**

	BALANCE DECEMBER 31, 2018	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2019
Land	\$ 2,657,850.00	\$ -	\$ -	\$ 2,657,850.00
Building	5,772,222.00	18,375.87	-	5,790,597.87
Vehicles	3,979,421.00	137,629.00	(247,974.00)	3,869,076.00
Equipment	4,075,449.00	128,093.00	(72,910.00)	4,130,632.00
Total	<u>\$ 16,484,942.00</u>	<u>\$ 284,097.87</u>	<u>\$ (320,884.00)</u>	<u>\$ 16,448,155.87</u>
Total Investment in General Fixed Assets	<u>\$ 16,484,942.00</u>	<u>\$ 284,097.87</u>	<u>\$ (320,884.00)</u>	<u>\$ 16,448,155.87</u>

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TOWNSHIP OF EAST GREENWICH

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

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**TOWNSHIP OF EAST GREENWICH
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements 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.

Finding 2019-001

Criteria of Specific Requirement:

N.J.A.C. 5:30-5.6 requires that municipalities maintain a fixed asset accounting system that shall include assets descriptions, estimated or historical costs and other such information as shall be required by the governing body and updated each year with any additions or deletions. Proper internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of the financial statements including related footnotes.

Condition:

The Township did not maintain a fixed asset accounting system for land and buildings in accordance with N.J.A.C. 5:30:5.6.

Cause:

Internal control policies and procedures are not in place to properly maintain the fixed asset accounting system for land and buildings.

Effect or Potential Effect:

Non-compliance with N.J.A.C. 5:30-5.6.

Recommendation:

That internal control policies and procedures should be developed to properly maintain the general fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding 2019-002

Criteria of Specific Requirement:

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such service.

Condition:

The Township's Grant Fund Statement of Expenditures reflect over-expenditures of budget appropriations.

TOWNSHIP OF EAST GREENWICH
SCHEDULE OF FINANCIAL STATEMENT FINDINGS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Finding 2019-002 (continued)

Cause:

Lack of oversight.

Effect or Potential Effect:

Non-compliance with N.J.S.A. 40A:4-57

Recommendation:

That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57)

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding 2019-003

Criteria of Specific Requirement:

The Township shall not utilize the Capital Improvement Fund in excess of funds available.

Condition:

The Township over-expended the Capital Improvement Fund during 2019.

Cause:

Lack of oversight.

Effect or Potential Effect:

The Township not having available funds for projects funded by the Capital Improvement Fund.

Recommendation:

That the Township only expended Capital Improvement Funds that are available during the year.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF EAST GREENWICH

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2019:

<u>Name</u>	<u>Title</u>
Dale L. Archer	Mayor
James R. Philbin, Jr.	Deputy Mayor
Stephen Bottiglieri	Committeeman
Richard Schober	Committeeman
Robert Tice	Committeeman
Elizabeth McGill	Township Clerk
Jack Bruno	Chief Financial Officer
Gail S. Capasso	Tax Collector
Denise Athey	Court Administrator
Marla Gaglione	Solicitor

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2019.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2019.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

618 Stokes Road, Medford, NJ 08055

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www.hmacpainc.com

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of East Greenwich, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of East Greenwich, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2019-01* (*Finding 2019-001 in the Schedule of Financial Statement Findings section*) - The Township did not maintain a fixed asset accounting system for land and buildings in accordance with N.J.A.C. 5:30:5.6.

Finding 2019-02* (*Finding 2019-002 in the Schedule of Financial Statement Findings section*) – The Township's Grant Fund Statement of Expenditures reflect over-expenditures of budget appropriations.

Finding 2019-03 (*Finding 2019-003 in the Schedule of Financial Statement Findings section*) – The Township over-expended the Capital Improvement Fund during 2019.

*Denotes Prior Year Finding.

RECOMMENDATIONS:

Finding 2019-01

That internal control policies and procedures should be developed to properly maintain the general fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

Finding 2019-02

That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57).

Finding 2019-03

That the Township only expend only available Capital Improvement Funds during the year.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

A handwritten signature in black ink that reads "Michael Holt". The signature is written in a cursive, slightly slanted style.

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

Medford, New Jersey
September 3, 2020