# TOWNSHIP OF GREENWICH
# WARREN COUNTY
# NEW JERSEY

## FINANCIAL STATEMENTS
## AND
## SUPPLEMENTARY DATA
## AND INFORMATION

## FOR THE YEAR
## ENDED DECEMBER 31, 2013

*HODULIK & MORRISON, P.A.*
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

**TOWNSHIP OF GREENWICH**
**WARREN COUNTY, NEW JERSEY**

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**WARREN COUNTY, NEW JERSEY**

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**WARREN COUNTY, NEW JERSEY**

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# TOWNSHIP OF GREENWICH

# WARREN COUNTY, NEW JERSEY

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## PART I

## INDEPENDENT AUDITOR'S REPORT

## FINANCIAL STATEMENTS

**HODULIK & MORRISON, P.A.**
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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

# INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Greenwich
County of Warren, New Jersey

## Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and governmental fixed assets of the Township of Greenwich, County of Warren, New Jersey as of and for the years ended December 31, 2013 and the related statements of operations and changes in fund balance- regulatory basis for the years then ended and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Township as listed in the table of contents. The financial statements of the Township of Greenwich, as of December 31, 2012 and for the year then ended, were audited by other auditors. The report of the other auditors was dated September 30, 2013 and expressed an adverse opinion on the financial statements on accounting principles generally accepted in the United States of America, and a qualified opinion on the financial statements on the regulatory basis of accounting as more fully described in the Notes to Financial Statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 error or fraud.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting an audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the 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 of 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 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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion on Regulatory Basis of Accounting

Detailed accounting records, in the form prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, relating to the billing and collection of property taxes, were not maintained during the period under audit. A reconciliation of the amounts billed to the certified tax levy was not performed. Periodic (daily, monthly and annual) proofs of tax accounting system cash postings to bank deposits were often incomplete or were found to contain errors. Furthermore, the tax accounting system was not being utilized as designed, as system adjustments, which are typically segregated into a variety of categories to reflect corrected bills, billing adjustments for state reimbursed deductions, the effects of tax appeals, transfers to lien status, overpayment refunds, and cash posting adjustments to reflect bank rejected payments, and corrections to cash related input errors including property identification, amount or tax year, were all comingled. Monthly reports of tax related transactions were not prepared and transmitted to the Chief Financial Officer. The tax office maintained record of balances for tax liens held in the Township's name for nonpayment of property taxes did not agree with the audited financial statements of the prior period. These conditions resulted in numerous identified errors and omissions in the financial records maintained by the Chief Financial Officer, and the material weakness in internal control over financial reporting relating to the sufficiency of the accounting records maintained by the tax office and the lack of training and oversight of the tax office personnel have created a reasonable probability that a material misstatement of the financial statements, whether due to error or fraud, would not be prevented, or detected and corrected on a timely basis.

Disclaimer of Opinion on Regulatory Basis of Accounting

Because of the significance of the matter described in the Basis for Disclaimer of Opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

Other Matters

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township of Greenwich, County of Warren, New Jersey. The information included in Part II – Fund Financial Statements and Part III - Supplementary Data, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Township of Greenwich, County of Warren, New Jersey.

The information included in Part II – Fund Financial Statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Accordingly, the matters discussed in the Basis for Disclaimer of Opinion on Regulatory Basis of Accounting are also applicable to the information included in Part II – Fund Financial Statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on whether the information contained in the Fund Financial Statements is fairly stated, in all material respects, in relation to the financial statements – regulatory basis, taken as a whole. Accordingly, we do not express an opinion on the information contained in the Fund Financial Statements.

The information contained in Part III - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2014 on our consideration of the Township of 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 Greenwich's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Robert S. Morrison
Registered Municipal Accountant
No. 412

Highland Park, New Jersey
October 3, 2014

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# 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 Greenwich
County of Warren, New Jersey

We were engaged to audit the financial statements – regulatory basis of the Township of Greenwich, County of Warren, New Jersey, as of and for the year ended December 31, 2013 as set forth in the foregoing table of contents, which collectively comprise the Township of Greenwich's financial statements. As indicated in our report, dated October 3, 2014, we were unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion. Accordingly, no opinion on the financial statements is expressed by us in our report. Except as noted in our report, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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.

## Internal Control Over Financial Reporting

The Management of the Township of Greenwich is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Greenwich's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Greenwich's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Township of Greenwich's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the General Comments section of the report, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies, identified as items 2013-1 through 2013-4, described in the accompanying General Comments to be material weaknesses.

A *significant deficiency in internal control* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies, identified as items 2013-5 through 2013-6, described in the accompanying General Comments to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Greenwich's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 an instance 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. This matter, identified as item 2013-7, is more fully described in the accompanying General Comments.

We noted certain other matters that we have reported to the management of the Township in the General Comments section of the Report of Audit.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
October 3, 2014

# FINANCIAL STATEMENTS

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

Exhibit - A

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013 AND DECEMBER 31 ,2012

| ASSETS | BALANCE DEC. 31, 2013 | BALANCE DEC. 31, 2012 | LIABILITIES, RESERVES AND FUND BALANCE | BALANCE DEC. 31, 2013 | BALANCE DEC. 31, 2012 |
|---|---|---|---|---|---|
| Cash and Investments - Treasurer | $ 4,449,053.02 | $ 4,357,379.73 | Liabilities: | | |
| | | | Appropriation Reserves | $ 151,059.46 | $ 131,618.40 |
| | 4,449,053.02 | 4,357,379.73 | Reserve for Encumbrances | 78,109.17 | 41,607.43 |
| | | | Due to State of NJ-Sr. Cit.Deductions | 6,489.03 | 3,239.03 |
| Receivables and Other Assets With | | | Prepaid Taxes | 86,809.79 | 93,457.07 |
| Full Reserves: | | | Tax Overpayments | 1,448.40 | 55,304.12 |
| Taxes Receivable | 324,031.47 | 367,311.01 | Due County for Added Taxes | 4,010.08 | 2,169.50 |
| Tax Title Liens Receivable | 37,036.06 | 37,036.06 | New Jersey State Fees Payable | 350.00 | 350.00 |
| Revenue Accounts Receivable | 10,114.92 | 13,909.94 | School Tax Payable | 2,161,262.50 | 2,421,643.98 |
| Interfund Accounts Receivable | 188,847.50 | 51,693.38 | Interfund Accounts Payable | 744,180.08 | 257,530.46 |
| | | | Other Reserves | 228,742.28 | 227,785.67 |
| | 560,029.95 | 469,950.39 | Unallocated Receipts | 68,898.32 | 72,063.34 |
| | | | | 3,531,359.11 | 3,306,769.00 |
| Deferred Charges: | | | | | |
| Special Emergency Approrpriation | | 24,000.00 | Reserve for Receivables | 560,029.95 | 469,950.39 |
| Overexpend. Of Budget Approp. | 21,388.80 | | Fund Balance | 940,571.08 | 1,096,207.86 |
| Overexpend. Of Appropr. Reserve | 1,488.37 | 21,597.13 | | | |
| | 22,877.17 | 45,597.13 | | | |
| Total Current Fund | 5,031,960.14 | 4,872,927.25 | Total Current Fund | 5,031,960.14 | 4,872,927.25 |
| Federal and State Grant Fund: | | | Federal and State Grant Fund: | | |
| Interfund Accounts Receivable | 190,508.36 | 77,068.84 | Reserve for State and Federal Grants: | | |
| Federal and State Grants Receivable | 195,426.16 | 220,818.16 | Appropriated | 309,714.53 | 241,947.49 |
| Deferred Charges: | | | Unappropriated | 46,354.17 | 70,282.95 |
| Overexpenditure of Grant Appropriation | 15,134.18 | 59,343.44 | Reserve for Encumbrances | | |
| | | | Interfund Accounts Payable | 45,000.00 | 45,000.00 |
| Total Grant Fund | 401,068.70 | 357,230.44 | Total Grant Fund | 401,068.70 | 357,230.44 |
| | $ 5,433,028.84 | $ 5,230,157.69 | | $ 5,433,028.84 | $ 5,230,157.69 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| REVENUE AND OTHER INCOME REALIZED | YEAR 2013 | YEAR 2012 |
|---|---|---|
| Fund Balance Appropriated | $ 484,107.44 | $ 444,000.00 |
| Miscellaneous Revenues Anticipated | 1,105,170.92 | 817,173.30 |
| Receipts from Delinquent Taxes | 367,311.01 | 295,902.86 |
| Receipts from Current Taxes | 15,923,679.01 | 15,635,896.92 |
| Non-Budget Revenue | 91,364.65 | 568,395.58 |
| Other Credits to Income: | | |
| Interfund Loan Returns | | 99,168.48 |
| Prior Year Encumbrance Cancelled | | 30,658.70 |
| Unexpended Balances of Approp. Reserves | 40,868.19 | 99,594.98 |
| Total Revenues | 18,012,501.22 | 17,990,790.82 |
| EXPENDITURES AND OTHER CHARGES | | |
| Budget Appropriations: | | |
| Operating: | | |
| Salaries and Wages | 1,590,229.80 | 1,496,067.00 |
| Other Expenses | 1,597,016.04 | 1,558,603.58 |
| Capital Improvements | 210,000.00 | |
| Municipal Debt Service | 85,231.26 | 80,525.35 |
| Def. Charges and Statutory Expend. | 478,133.09 | 500,699.85 |
| Erroneous Prior Year Deposits in Transit | 35,237.45 | |
| Refunds of Prior Year Revenues | 224.00 | |
| Interfund Loan Advanced | 91,559.70 | 33,950.85 |
| Local District School Tax | 8,397,041.00 | 8,247,804.00 |
| County Tax | 4,980,554.02 | 4,879,150.26 |
| Local Open Space tax | 240,193.00 | 240,106.36 |
| Total Expenditures | 17,705,419.36 | 17,036,907.25 |
| Excess in Revenue (Balance Forward) | 307,081.86 | 953,883.57 |

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | REF. | YEAR 2013 | YEAR 2012 |
|---|---|---|---|
| Excess in Revenue (Balance Brought Forward) | | $ 307,081.86 | $ 953,883.57 |
| Adjust. to Income Before Fund Balance: Expenditures Included Above Which are by Statutes Deferred Charges to Budget of Succeeding Years | A-25 | 21,388.80 | |
| Statutory Excess to Fund Balance | | 328,470.66 | 953,883.57 |
| FUND BALANCE | | | |
| Balance - January 1 | A | 1,096,207.86 | 586,324.29 |
| | | 1,424,678.52 | 1,540,207.86 |
| Decreased by: Utilization as Anticipated Revenue | A-1 | 484,107.44 | 444,000.00 |
| Balance - December 31 | A | $ 940,571.08 | $ 1,096,207.86 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | ANTICIPATED 2013 BUDGET | REALIZED | EXCESS OR (DEFICIT) |
|---|---|---|---|
| Surplus Anticipated | $ 484,107.44 | 484,107.44 | $ |
| Miscellaneous Revenues: | | | |
| Licenses: | | | |
| Alcoholic Beverages | 7,000.00 | 7,200.00 | 200.00 |
| Fines and Costs: | | | |
| Municipal Court | 225,000.00 | 164,670.59 | (60,329.41) |
| Interest and Costs on Taxes | 65,000.00 | 88,434.87 | 23,434.87 |
| Interest on Investments and Deposits | 3,000.00 | 2,539.92 | (460.08) |
| Hotel/Motel Occupancy Tax | | | |
| Energy Receipts Tax | 315,438.00 | 315,438.00 | |
| Red Light Revenue-Pohatcong | 200,000.00 | 299,120.50 | 99,120.50 |
| Body Armor Replacement Fund | 2,727.73 | 2,727.73 | |
| Clean Communities | 10,326.28 | 10,326.28 | |
| Safe & Secure Communities Program | | | |
| Drunk Driving Enforcement Fund | 6,554.71 | 6,554.71 | |
| Drive Sober/Get Pulled Over | 9,291.33 | 9,291.33 | |
| NJDOT-Dumont Road | 160,000.00 | 160,000.00 | |
| NJ Clean Energy | 31,633.44 | 31,633.44 | |
| Recycling Tonnage Grant | 7,233.55 | 7,233.55 | |
| Total Miscellaneous Revenues | 1,043,205.04 | 1,105,170.92 | 61,965.88 |
| Receipts from Delinquent Taxes | 280,000.00 | 367,311.01 | 87,311.01 |
| Subtotal General Revenues | 1,807,312.48 | 1,956,589.37 | 149,276.89 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | |
| Local Tax for Municipal purposes Including Reserve for Uncollected Taxes | 2,631,977.65 | 2,805,890.99 | 173,913.34 |
| Budget Totals | 4,439,290.13 | 4,762,480.36 | $ 323,190.23 |
| Non-Budget Revenues | | 91,364.65 | |
| | $ 4,439,290.13 | $ 4,853,845.01 | |

( ) Denotes Deficit
Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

| | | |
|---|---|---|
| 2013 Collections | 15,795,471.94 | |
| Prepaid Taxes Applied | 93,457.07 | |
| State Share of Sr. Citizen's and Veteran's Deductions Allowed | 34,750.00 | |
| | | $ 15,923,679.01 |
| Allocated to: | | |
| Local District School Tax | 8,397,041.00 | |
| County Taxes | 4,980,554.02 | |
| Local open Space Tax | 240,193.00 | |
| | | 13,617,788.02 |
| | | 2,305,890.99 |
| Add: Reserve for Uncollected Taxes | | 500,000.00 |
| Amount for Support of Municipal Budget | | $ 2,805,890.99 |

Allocation of Delinquent Tax Collections:

| | | |
|---|---|---|
| 2013 Collections: | | |
| Delinquent Taxes | 367,311.01 | |
| Tax Title Liens | 0.00 | |
| | | $ 367,311.01 |

Miscellaneous Revenue Not Anticipated:

| | | |
|---|---|---|
| Hotel/Motel Occupancy Tax | 13,805.40 | |
| Federal Hurricane Sandy Aid | 41,559.70 | |
| Service Electric | 14,001.00 | |
| Fire LEA Rebates | 8,805.55 | |
| Misc. | 5,911.00 | |
| Police reports | 875.00 | |
| Planning/Zoning | 4,992.00 | |
| Vital Statistics | 655.00 | |
| Sr. Cit. & Veteran Admin. Fee | 760.00 | |
| | | $ 91,364.65 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

Exhibit - A-3

CURRENT FUND
STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

| Operations Within "CAPS" | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED PAID OR CHARGED | EXPENDED ENCUMBERED | EXPENDED RESERVED | UNEXPENDED BALANCE CANCELLED | OVER-EXPENDED |
|---|---|---|---|---|---|---|---|
| Administrative and Executive: | | | | | | | |
| Salaries and Wages | | | | | - | | |
| Other Expenses | $ 42,100.00 | $ 42,100.00 | $ 38,536.69 | $ 1,612.54 | $ 1,950.77 | - | |
| Mayor and Counsel | | | | | | | |
| Salaries and Wages | 24,415.00 | 24,415.00 | 23,969.88 | | 445.12 | - | |
| Municipal Clerk | | | | | | | |
| Salaries and Wages | 76,845.00 | 75,845.00 | 72,541.86 | | 3,303.14 | - | |
| Other Expenses | 5,450.00 | 5,450.00 | 3,864.47 | 307.92 | 1,277.61 | | |
| Elections | 1,500.00 | 1,500.00 | 1,500.00 | | | | |
| Financial Administration | | | | | | | |
| Salaries and Wages | 9,360.00 | 7,360.00 | 5,863.73 | | 1,496.27 | - | |
| Other Expenses | 7,410.00 | 7,410.00 | 5,356.15 | 10.89 | 2,042.96 | - | |
| Payroll Services | 10,500.00 | 13,500.00 | 11,178.59 | 526.01 | 1,795.40 | - | |
| Audit Services | 30,000.00 | 23,000.00 | 23,000.00 | | - | - | |
| Revenue Administration | | | | | | | |
| Salaries and Wages | 38,000.00 | 21,000.00 | 19,856.58 | | 1,143.42 | - | |
| Other Expenses | 5,610.00 | 7,610.00 | 5,481.12 | 236.70 | 1,892.18 | - | |
| Assessment of Taxes | | | | | | | |
| Salaries and Wages | 27,435.00 | 27,435.00 | 27,432.08 | | 2.92 | - | |
| Other Expenses | 12,000.00 | 9,000.00 | 6,319.61 | 66.40 | 2,613.99 | - | |
| Legal Services | | | | | | | |
| Other Expenses | 210,000.00 | 187,000.00 | 168,164.58 | 1,245.75 | 17,589.67 | - | |
| Engineering Services | | | | | | | |
| Other Expenses | 32,500.00 | 45,500.00 | 42,405.00 | 1,992.50 | 1,102.50 | - | |
| Historical Site Office | | | | | | | |
| Other Expenses | 1,500.00 | 1,500.00 | 1,500.00 | | - | - | |
| Municipal Land Use Act (N.J.S.A. 40:55D-1) | | | | | | | |
| Planning Board | | | | | | | |
| Salaries and Wages | 7,500.00 | 7,500.00 | 6,590.80 | - | 909.20 | - | |
| Other Expenses | 30,700.00 | 30,700.00 | 30,422.97 | 222.22 | 54.81 | - | |

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

| Operations Within "CAPS" (Cont'd.) | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED PAID OR CHARGED | EXPENDED ENCUMBERED | EXPENDED RESERVED | UNEXPENDED BALANCE CANCELLED | OVER-EXPENDED |
|---|---|---|---|---|---|---|---|
| Zoning Board of Adjustment | | | | | | | |
| Salaries and Wages | $ 13,550.00 | $ 10,550.00 | $ 9,382.74 | $ - | $ 1,167.26 | $ - | $ - |
| Other Expenses | 15,500.00 | 15,500.00 | 5,485.12 | 521.25 | 9,493.63 | - | |
| COAH Officer | | - | | | | | |
| Salaries and Wages | 2,040.00 | 2,040.00 | 2,037.62 | | 2.38 | - | |
| Insurance | | - | | | | | |
| General Liability | 88,235.00 | 88,235.00 | 88,235.00 | | - | - | |
| Workers Compensation | 44,794.00 | 44,794.00 | 44,794.00 | | - | - | |
| Employee Group Health | 262,000.00 | 262,000.00 | 249,831.07 | | 12,168.93 | - | |
| Unemployment Compensation | 6,500.00 | 6,500.00 | 5,219.08 | | 1,280.92 | - | |
| Other Insurance-Medical Exams-Firefighters | 25,000.00 | 25,000.00 | 25,000.00 | | - | - | |
| Public Safety: | | - | | | | | |
| Fire | | - | | | | | |
| Other Expenses | | - | | | | | |
| Aid to Volunteer Fire Companies | 75,000.00 | 105,000.00 | 105,000.00 | | - | - | |
| Fire Hydrant Service | 90,000.00 | 110,000.00 | 87,511.40 | | 22,488.60 | - | |
| Police | | - | | | | | |
| Salaries and Wages | 991,045.00 | 989,045.00 | 980,460.82 | | 8,584.18 | - | |
| Other Expenses | 77,100.00 | 72,100.00 | 55,057.51 | 13,775.06 | 3,267.43 | - | |
| School Crossing Guards | | - | | | | | |
| Salaries and Wages | 23,000.00 | 23,000.00 | 22,174.47 | | 825.53 | - | |
| Other Expenses | 200.00 | 200.00 | - | | 200.00 | - | |
| Police Dispatch/911 Coordinator | | - | - | | - | | |
| Salaries and Wages | 2,200.00 | 2,200.00 | 2,200.00 | | - | | |
| Municipal Prosecutor | | - | | | | | |
| Salaries and Wages | 28,210.00 | 28,210.00 | 28,209.00 | | 1.00 | - | |
| First Aid Organization- Aid and Maintenance | | - | | | | | |
| Other Expenses | 35,000.00 | 35,000.00 | 35,000.00 | | - | - | |

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

| | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED PAID OR CHARGED | EXPENDED ENCUMBERED | EXPENDED RESERVED | UNEXPENDED BALANCE CANCELLED | OVER-EXPENDED |
|---|---|---|---|---|---|---|---|
| Operations Within "CAPS" (Cont'd.) | | - | | | | | |
| Public Safety(Continued): | | - | | | | | |
| Fire and Safety Code Enforcement | | - | | | | | |
| Salaries and Wages | $ 2,700.00 | $ 2,700.00 | $ 2,700.00 | | $ - | $ - | |
| Other Expenses | 500.00 | 500.00 | - | | 500.00 | | |
| Uniform Fire Safety Act | 2,000.00 | 2,000.00 | 223.80 | | 1,776.20 | - | |
| Office of Emergency Management | | - | | | | | |
| Salaries and Wages | 6,000.00 | 6,000.00 | 6,000.00 | | - | - | |
| Other Expenses | 500.00 | 500.00 | 294.98 | | 205.02 | - | |
| Municipal Court | | - | | | | | |
| Salaries and Wages | 119,111.00 | 117,911.00 | 116,590.98 | | 1,320.02 | - | |
| Other Expenses | 5,500.00 | 6,700.00 | 6,075.23 | 535.00 | 89.77 | - | |
| Public Works: | | - | | | | | |
| Road Repairs and Maintenance | | - | | | | | |
| Salaries and Wages | 210,500.00 | 210,500.00 | 231,888.80 | | - | - | 21,388.80 |
| Other Expenses | 79,600.00 | 79,600.00 | 50,272.15 | 29,309.62 | 18.23 | - | |
| Public Buildings and Grounds | | - | | | | | |
| Other Expenses | 60,750.00 | 60,750.00 | 54,554.31 | 6,109.78 | 85.91 | - | |
| Solid Waste Collection | | - | | | | | |
| Salaries and Wages | 2,080.00 | 2,080.00 | 2,080.00 | | - | - | |
| Other Expenses | 5,000.00 | 5,000.00 | 4,752.53 | | 247.47 | - | |
| Health & Human Services Functions: | | - | | | | | |
| Public Health Services (Board of Health) | | - | | | | - | |
| Other Expenses | 200.00 | 200.00 | | | 200.00 | - | |
| Environmental Health Service | | - | | | | | |
| Other Expenses | 500.00 | 500.00 | | | 500.00 | - | |
| Animal Control | | - | | | | | |
| Salaries and Wages | 4,250.00 | 4,250.00 | 4,250.00 | | - | - | |
| Contributions to Social Services Agencies | | - | | | | | |
| Senior Citizens Center | 1,000.00 | 1,000.00 | 1,000.00 | | - | - | |

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

Exhibit - A-3

CURRENT FUND
STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

| | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED PAID OR CHARGED | EXPENDED ENCUMBERED | EXPENDED RESERVED | UNEXPENDED BALANCE CANCELLED | OVER-EXPENDED |
|---|---|---|---|---|---|---|---|
| Operations Within "CAPS" (Cont'd.) | | - | | | | | |
| | | - | | | | | |
| Parks and Recreation: | | | | | | | |
| Recreation and Education | | - | | | | | |
| Other Expenses | 7,000.00 | 2,000.00 | | - | 2,000.00 | - | |
| Maintenance of Parks | | - | | | | | |
| Other Expenses | 3,000.00 | 3,000.00 | 162.96 | | 2,837.04 | - | |
| Celebration of Public Events, Anniversary | | - | | | | | |
| or Holiday | | - | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 2,693.83 | 1,200.00 | 6,106.17 | - | |
| State Uniform Construction Code: | | - | | | | | |
| (N.J.S.A. 52:27D-120 et. sq.) | | - | | | | | |
| Fire Inspector | | | | | | | |
| Salaries and Wages | 1,950.00 | 1,950.00 | 1,950.00 | - | | | - |
| UNCLASSIFIED: | | - | | | | | |
| | | - | | | | | |
| Salaries and Wage Adjustments | 9,000.00 | 9,000.00 | 1,750.00 | | 7,250.00 | | |
| Utilities: | | - | | | | | |
| Electricity | 50,500.00 | 47,000.00 | 38,445.90 | 4,627.20 | 3,926.90 | - | |
| Street Lighting & Traffic Lights | 20,000.00 | 20,000.00 | 13,760.17 | 6,086.76 | 153.07 | - | |
| Telephone | 22,500.00 | 25,000.00 | 22,672.34 | 1,706.25 | 621.41 | - | |
| Water | 750.00 | 1,750.00 | 749.34 | - | 1,000.66 | - | |
| Gasoline & Deisel Fuel | 65,000.00 | 65,000.00 | 53,441.00 | 3,902.92 | 7,656.08 | - | |
| Total Operations Within "CAPS" | $ 3,042,090.00 | $ 3,042,090.00 | $ 2,855,890.26 | $ 73,994.77 | $ 133,593.77 | - | 21,388.80 |
| DETAIL: | | | | | | | |
| Salaries and Wages | 1,599,191.00 | 1,568,841.00 | 1,563,779.36 | - | 26,450.44 | - | 21,388.80 |
| Other Expenses (Including Contingent) | 1,442,899.00 | 1,473,249.00 | 1,292,110.90 | 73,994.77 | 107,143.33 | - | |

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

Exhibit - A-3

CURRENT FUND
STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

| | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED PAID OR CHARGED | EXPENDED ENCUMBERED | EXPENDED RESERVED | UNEXPENDED BALANCE CANCELLED | OVER-EXPENDED |
|---|---|---|---|---|---|---|---|
| Deferred Charges and Statutory Expenditures - Municipal Within "CAPS" | | | | | | | |
| DEFERRED CHARGES: | | | | | | | |
| Overexpenditure of Approp Reserves | 20,910.65 | 20,910.65 | 20,910.65 | - | - | - | |
| Overexpenditure of Grant | 27,710.00 | 27,710.00 | 27,710.00 | | | | |
| Grant expenditures without Approp | 31,633.44 | 31,633.44 | 31,633.44 | | | | |
| | | - | | | | | |
| | | - | | | | | |
| STATUTORY EXPENDITURES: | | - | | | | | |
| Contribution to: | | - | | | | | |
| Public Employees' Retirement System | 62,455.00 | 62,455.00 | 62,455.00 | | - | - | |
| Social Security System (O.A.S.I.) | 120,000.00 | 120,000.00 | 116,820.47 | | 3,179.53 | - | |
| Police and Firemen's Retirement System | | - | | | | | |
| of N.J. | 191,424.00 | 191,424.00 | 191,424.00 | | - | - | - |
| Total Deferred Charges and Statutory Expend. Municipal Within "CAPS" | 454,133.09 | 454,133.09 | 450,953.56 | - | 3,179.53 | - | - |
| Total General Appropriations for Municipal Purposes Within "CAPS" | $ 3,496,223.09 | $ 3,496,223.09 | $ 3,306,843.82 | $ 73,994.77 | $ 136,773.30 | $ - | $ 21,388.80 |
| Operations Excluded from "CAPS" | | | | | | | |
| Insurance | | | - | | | - | |
| Employee Group Health | 13,000.00 | 13,000.00 | - | | 13,000.00 | | |
| Interlocal Municipal Service Agreements | | | | | | | |
| CFO | 43,000.00 | 43,000.00 | 41,713.84 | | 1,286.16 | - | |

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

| | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED: PAID OR CHARGED | EXPENDED: ENCUMBERED | EXPENDED: RESERVED | UNEXPENDED BALANCE CANCELLED | OVER-EXPENDED |
|---|---|---|---|---|---|---|---|
| PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES: | | | | | | | |
| Clean Communities Program | 10,326.28 | 10,326.28 | 10,326.28 | | - | - | |
| Drunk Driving Enf. Fund | 6,554.71 | 6,554.71 | 6,554.71 | | | | |
| NJ Clean Energy | 31,633.44 | 31,633.44 | 31,633.44 | | | | |
| Body Armor Replacement Fund | 2,727.73 | 2,727.73 | 2,727.73 | | - | - | |
| Recycling Tonnage Grant | 7,233.55 | 7,233.55 | 7,233.55 | | - | - | |
| Drive Sober/Get Pulled Over | 9,291.33 | 9,291.33 | 9,291.33 | | - | - | - |
| Total Operations - Excluded from "CAPS" | $ 123,767.04 | $ 123,767.04 | $ 109,480.88 | - | $ 14,286.16 | - | - |
| DETAIL: | | | | | | | |
| Salaries and Wages | - | - | - | | - | - | - |
| Other Expenses | 123,767.04 | 123,767.04 | 109,480.88 | | 14,286.16 | - | - |
| Capital Improvements - Excluded from "CAPS" | | | | | | | |
| NJ DOT Trust Fund Auth. Act | 160,000.00 | 160,000.00 | 160,000.00 | | | | |
| Capital Improvement Fund | 50,000.00 | 50,000.00 | 50,000.00 | | | | |
| Total Capital Improvements - Excluded from "CAPS" | $ 210,000.00 | $ 210,000.00 | $ 210,000.00 | - | $ - | - | - |
| Municipal Debt Service - Excluded from "CAPS" | | | | | | | |
| Payment of Bond Principal | 45,000.00 | 45,000.00 | 45,000.00 | | | | |
| Interest on Bonds | 40,300.00 | 40,300.00 | 40,231.26 | | | 68.74 | - |
| Total Municipal Debt Service - Excluded from "CAPS" | $ 85,300.00 | $ 85,300.00 | $ 85,231.26 | - | $ - | $ 68.74 | $ - |

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

| | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED: PAID OR CHARGED | EXPENDED: ENCUMBERED | EXPENDED: RESERVED | UNEXPENDED BALANCE CANCELLED | OVER-EXPENDED |
|---|---|---|---|---|---|---|---|
| Deferred Charges - Municipal - Excluded from "CAPS" | | | | | | | |
| Deferred Charges: | | | | | | | |
| Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55) | 24,000.00 | 24,000.00 | 24,000.00 | | - | | |
| Total Deferred Charges - Municipal - Excluded from "CAPS" | $ 24,000.00 | $ 24,000.00 | $ 24,000.00 | - | - | | |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | $ 443,067.04 | $ 443,067.04 | $ 428,712.14 | - | $ 14,286.16 | $ 68.74 | $ - |
| Subtotal General Appropriations | 3,939,290.13 | 3,939,290.13 | 3,735,555.96 | 73,994.77 | 151,059.46 | 68.74 | 21,388.80 |
| Reserve for Uncollected Taxes | 500,000.00 | 500,000.00 | 500,000.00 | | - | | |
| Total General Appropriations | $ 4,439,290.13 | $ 4,439,290.13 | $ 4,235,555.96 | $ 73,994.77 | $ 151,059.46 | $ 68.74 | $ 21,388.80 |

| | |
|---|---|
| Reserve for Uncollected Taxes | 500,000.00 |
| Disbursed | 3,353,534.83 |
| Capital Improvement Fund | 50,000.00 |
| Overexpenditure of Approp. Reserves | 20,910.65 |
| Overexpenditure of Grant | 27,710.00 |
| Grant Expend. Without Appropriation | 31,633.44 |
| Special Emergency Authorizations | 24,000.00 |
| Reserve for State & Fed. Grants Approp. | 227,767.04 |
| | 4,235,555.96 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

Exhibit - B

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013 AND DECEMBER 31, 2012

| ASSETS | BALANCE DEC. 31,2013 | BALANCE DEC. 31,2012 | LIABILITIES, RESERVES AND FUND BALANCE | BALANCE DEC. 31,2013 | BALANCE DEC. 31,2012 |
|---|---|---|---|---|---|
| Open Space Trust Fund: | | | Open Space Trust Fund: | | |
| Cash - Treasurer | $ 324,259.98 | $ 358,025.28 | Reserve for Open Space | $ 886,430.78 | $ 680,003.08 |
| Interfund Accounts Receivable | 562,170.80 | 321,977.80 | | | |
| Total Open Space Trust Fund | 886,430.78 | 680,003.08 | Total Open Space Trust Fund | 886,430.78 | 680,003.08 |
| | | | Animal Control Fund: | | |
| | | | Interfunds Payable | 181.21 | 181.21 |
| Animal Control Fund: | | | State Registration Fees Payable | 552.60 | 538.80 |
| Cash-Treasurer | 811.48 | 4,199.11 | Res. For Animal Control Expend. | 77.67 | 3,479.10 |
| Total Animal Control Fund | 811.48 | 4,199.11 | Total Animal Control Fund | 811.48 | 4,199.11 |
| General Trust Fund: | | | General Trust Fund: | | |
| Cash - Treasurer | 534,390.52 | 521,487.48 | Interfunds Payable | 93,658.55 | 70,066.18 |
| Interfund Accounts Receivable | 1,062,767.00 | 1,062,767.00 | Unidentified receipts | 1,373.82 | |
| | | | Other Reserves | 1,502,125.15 | 1,514,188.30 |
| Total General Trust Fund | 1,597,157.52 | 1,584,254.48 | | | |
| | | | Total General Trust Fund | 1,597,157.52 | 1,584,254.48 |
| | $ 2,484,399.78 | $ 2,268,456.67 | | $ 2,484,399.78 | $ 2,268,456.67 |

Note: See Notes to Financial Statements.

Exhibit - B-1

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

OPEN SPACE TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | | |
|---|---|---|
| Balance - December 31, 2012 | | $ 680,003.08 |
| Increased by Revenues: | | |
| 2013 Municipal Open Space Tax | 240,193.00 | |
| Interest on Deposits | 338.20 | |
| | | 240,531.20 |
| | | 920,534.28 |
| Decreased by Expenditures: | | |
| Dues, Legal, Engineer, Appraisal & Other Acquisition Costs | 34,103.50 | |
| | | 34,103.50 |
| Balance - December 31, 2013 | | $ 886,430.78 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

ANIMAL CONTROL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | | |
|---|---|---|
| Balance - December 31, 2012 | | $3,479.10 |
| Increased by: | | |
| Animal License Fees | 2,264.50 | |
| Interest on Investments | 3.69 | |
| | | 2,268.19 |
| | | 5,747.29 |
| Decreased by: | | |
| Expenditures Under R.S. 4:19-15.11: | | |
| Cash Disbursements | | 5,669.62 |
| Reserve Balance - December 31, 2013 | | $77.67 |

Animal License Revenue

| Year | |
|---|---|
| 2011 | 3,162.87 |
| 2012 | 2,250.00 |
| Maximum Balance Allowable | $5,412.87 |

Exhibit - C

TOWNSHIP OF GREENWHICH
WARREN COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013 AND DECEMBER 31, 2012

| ASSETS | BALANCE DEC. 31, 2013 | BALANCE DEC. 31, 2012 |
|---|---|---|
| Cash and Investments | $ 1,239,990.14 | $ 1,241,473.39 |
| Grant Receivable | 160,000.00 | 15,000.00 |
| Interfund Receivable | 107,950.92 | 45,000.00 |
| Deferred Charges to Future Taxation: | | |
| Funded | 1,180,000.00 | 1,225,000.00 |
| | $ 2,687,941.06 | $ 2,526,473.39 |
| LIABILITIES, RESERVES AND FUND BALANCE | | |
| General Bonds | $ 1,180,000.00 | $ 1,225,000.00 |
| Interfunds Payable | 1,134,217.00 | 1,135,025.70 |
| Reserves for: | | |
| Capital Improvement Fund | 53,099.00 | 63,099.00 |
| Recreational Facilities Improvements | 5,283.00 | 5,283.00 |
| Improvement Authorizations: | | |
| Funded | 264,063.29 | 46,786.92 |
| Fund Balance | 51,278.77 | 51,278.77 |
| | $ 2,687,941.06 | $ 2,526,473.39 |
| Memorandum: | | |
| Bonds and Notes Authorized but not Issued | $ - | $ - |

Note: See Notes to Financial Statements

Exhibit - C-1

TOWNSHIP OF GREENWHICH
WARREN COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| | 2013 | 2012 |
|---|---|---|
| Increased by: | | |
| Improvement Authorizations Cancelled | $ - | $ 74,066.02 |
| Total Increases | - | 74,066.02 |
| Decreased by: | | |
| Fund Balance Utilized to Fund Improvements | - | 24,000.00 |
| Total Decreases | - | 24,000.00 |
| Net Increase (Decrease) | - | 50,066.02 |
| Balance - January 1 | 51,278.77 | 1,212.75 |
| Balance - December 31 | $ 51,278.77 | $ 51,278.77 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

| ASSETS | BALANCE DEC. 31, 2013 | BALANCE DEC. 31, 2012 | LIABILITIES, RESERVES AND FUND BALANCE | BALANCE DEC. 31, 2013 | BALANCE DEC. 31, 2012 |
|---|---|---|---|---|---|
| Operating Fund: | | | Operating Fund: | | |
| Cash | $ 1,675,248.27 | $ 1,515,708.52 | Liabilities: | | |
| | | | Appropriation Reserves | $ 150,433.02 | $ 82,418.94 |
| Receivables With Full Reserves: | | | Reserve for Encumbrances | 16,584.78 | 12,880.59 |
| Consumer Accounts Receivable | 284,821.72 | 286,335.01 | Interfund Payable | 150,138.75 | 106,144.18 |
| | | | | 317,156.55 | 201,443.71 |
| Deferred Charges: | | | | | |
| Overexpend. of Approp. | | 5,472.15 | Reserve for Receivables | 284,821.72 | 286,335.01 |
| | | | Fund Balance | 1,358,091.72 | 1,319,736.96 |
| Total Operating Fund | 1,960,069.99 | 1,807,515.68 | Total Operating Fund | 1,960,069.99 | 1,807,515.68 |
| Capital Fund: | | | | | |
| Cash | 309,868.99 | 309,559.29 | Capital Fund: | | |
| Interfunds Receivable | 55,131.01 | 55,440.71 | Capital Improvement Fund | 365,000.00 | 365,000.00 |
| Total Capital Fund | 365,000.00 | 365,000.00 | Total Capital Fund | 365,000.00 | 365,000.00 |
| | $ 2,325,069.99 | $ 2,172,515.68 | | $ 2,325,069.99 | $ 2,172,515.68 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

| REVENUE AND OTHER INCOME REALIZED | YEAR 2013 | YEAR 2012 |
|---|---|---|
| Fund Balance | $ 65,006.15 | $ 134,500.00 |
| Sewer User Charges | 608,771.25 | 664,671.43 |
| Miscellaneous | 53,218.01 | 60,614.87 |
| Other Credits to Income: | | |
| Reserves Lapsing | 79,794.00 | 69,167.97 |
| Total Revenues | 806,789.41 | 928,954.27 |
| EXPENDITURES | | |
| Budget Appropriations: | | |
| Operating | 529,534.00 | 539,972.15 |
| Capital Improvements | 100,000.00 | 60,000.00 |
| Deferred Charges | 5,472.15 | |
| Other Charges to Operations: | | |
| Prior Year Rent Refunds | 8,493.04 | |
| Uncollectible Deposits in Transit Cancelled | 24,691.86 | |
| Unrecorded Prior Year Interfund | 35,237.45 | |
| Total Expenditures | 703,428.50 | 599,972.15 |
| Excess (Deficit) in Revenues | 103,360.91 | 328,982.12 |
| Adjustment to Income Before Fund Balance: | | |
| Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year | | 5,472.15 |
| Statutory Excess to Fund Balance (Operating Deficit) | 103,360.91 | 334,454.27 |
| FUND BALANCE | | |
| Balance - January 1 | 1,319,736.96 | 1,119,782.69 |
| Decreased by: | | |
| Fund Balance Utilized | 65,006.15 | 134,500.00 |
| Balance - December 31 | $ 1,358,091.72 | $ 1,319,736.96 |

Note: See Notes to Financial Statements

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | 2013 BUDGET | REALIZED | EXCESS OR (DEFICIT) |
|---|---|---|---|
| Operating Surplus Anticipated | $ 65,006.15 | $ 65,006.15 | $ |
| Sewer User Charges | 570,000.00 | 608,771.25 | 38,771.25 |
| Miscellaneous | | 53,218.01 | 53,218.01 |
| | $ 635,006.15 | $ 726,995.41 | $ 91,989.26 |

Analysis of Realized Revenues:

| | |
|---|---|
| Sewer User Charges: | |
| Collections | $ 608,771.25 |

Note: See Notes to Financial Statements

Exhibit - D-3

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | 2013 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED PAID OR CHARGED | EXPENDED RESERVED |
|---|---|---|---|---|
| Operating: | | | | |
| Salaries and Wages | $ 13,534.00 | $ 13,534.00 | $ 10,019.84 | $ 3,514.16 |
| Other Expenses | 106,000.00 | 106,000.00 | 104,495.52 | 1,504.48 |
| Contractual-Town of Phillipsburg | 410,000.00 | 410,000.00 | 364,585.62 | 45,414.38 |
| Capital Improvements: | | | | |
| Capital Improvement Fund | 100,000.00 | 100,000.00 | | 100,000.00 |
| Deferred Charges: | | | | |
| Overexpenditure of Appropriations | 5,472.15 | 5,472.15 | 5,472.15 | |
| Total Sewer Utility Appropriations | $ 635,006.15 | $ 635,006.15 | $ 484,573.13 | $ 150,433.02 |

| | |
|---|---|
| Disbursed | $ 462,516.20 |
| Deferred Charges | 5,472.15 |
| Encumbrances Payable | 16,584.78 |
| | $ 484,573.13 |

Note: See Notes to Financial Statements

## Note 1: FORM OF GOVERNMENT

The Township of Greenwich operates as a Township Committee form of Township Government. The Township Committee consists of five elected representatives. The Committeepersons choose the Mayor annually from among their own ranks. A full-time Administrator is in charge of the day-to-day government operations.

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

Except as noted below, the financial statements of the Township of Greenwich include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Greenwich, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Greenwich do not include the operations of the local school district, volunteer fire companies and first aid squads, all of which are subject to separate audit. Included within the financial statements are taxes levied and collected by the Township on behalf of the local school district and the County of Warren. The amount of taxes levied on behalf of the school district and the county are transferred to these entities in accordance with statutory schedules. Also included within the financial statements are appropriations for contributions to the volunteer fire companies and first aid squads.

### B. Description of Funds

The accounting policies of the Township of Greenwich conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Greenwich accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A:4-39, the financial transactions of the following funds and accounts are reported within the Trust Fund:

Housing & Community Development Act of 1974
Animal Control Trust Fund
Open Space Trust Fund
Public Defender Fees
Snow Removal Trust Fund
Developer's Escrow Fund
Uniform Fire Safety Act - Penalty Monies (N.J.S.A. 52:27D-192 et seq.)
Affordable Housing Trust Fund

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

B. Description of Funds (Cont'd.)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Governmental Fixed Assets - the Governmental Fixed Asset Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All governmental fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. No depreciation is recorded on governmental fixed assets.

C. Basis of Accounting

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations at the fund level in accordance with generally accepted accounting principles. This structure of funds differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of basic financial statements is not intended to present the general purpose financial statements required by GAAP.

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences between the Township's statutory accounting basis and GAAP at the fund and account group level are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refers to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include two general categories of over expenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets.

In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the municipality, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized as a "component unit" of the municipality, and discrete reporting of the Library's financial position and operating results would be incorporated in the municipality's financial statements. The Township of Greenwich is a member of the Warren County Library System and does not provide funding to a Free Public Library.

Compensated Absences - The Township has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulated earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. Under New Jersey statutes and pursuant to the requisite approval of the Director of Local Government Services, the Township may accumulate resources for the ultimate payment of amounts due to employees for such accumulated leave in a dedicated trust fund. Funding for this dedicated fund is derived from annual budget appropriations. In the event that dedicated funding is not available to make payments for such earned, but unused leave when due, the Township would record expenditures of operating appropriations in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Other Post Employment Benefits (OPEB) – The Local Finance Board has promulgated rules for minimum financial statement disclosures for OPEB that follow the requirements of GASB Statement No. 45. The requirements include: 1) A tracking of the Net OPEB Obligation, including the Annual required contribution (ARC) less any contributions made; 2) The Actuarial Accrued Liability (AAL), the Unfunded Actuarial Accrued Liability (UAAL), and UAAL as a percentage of current period payrolls for employees eligible to receive benefits upon attaining the requisite age and service requirements; and 3) A summary of the significant actuarial assumptions, including the discount rate used. During 2013, the Township did not provide post-employment benefits to any retiree. Furthermore, no calculations were performed to provide the required disclosures for any current employees who may become eligible for benefits at some later date.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP does not require recognition the recognition of fixed assets in the Fund Financial Statements as they are not financial resources. GAAP requires such property to be recorded as part of capital assets in the entity-wide statement of net assets at the lower of cost or fair market value.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be reserved, unless previously pledged, until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Fixed Assets - Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized. GAAP does not require reporting of capital assets or depreciation in the Governmental Funds.

General Fixed Assets - Technical Accounting Directive No. 85-2, issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, established a mandate for fixed accounting by municipalities, effective December 31, 1985. Assets having a useful life of more than one year are required to be capitalized in the general fixed asset account group. Infrastructure assets are excluded from the general fixed asset account group. Depreciation is not recorded in the general fixed asset account group. Under GAAP, capital assets are recorded at cost or estimated cost in the entity-wide financial statements. Donated assets are recorded at their estimated values. Infrastructure assets are included as capital assets under GAAP. Depreciation on capital assets (or an alternative calculation to reflect asset maintenance costs) is recorded as an item of expense in the calculation of changes in net assets in the entity-wide statement of activities under GAAP.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments: The carrying amount approximates fair value because of the short maturity of those instruments.

Long-term debt: The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

Recent GAAP Accounting Standards

GASB issued Statement No. 65, "Summary of Statement No. 65 Items Previously Reported as Assets and Liabilities" in March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

GASB issued Statement No. 66, "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62" in March 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and No. 62,"Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements."

GASB issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25" in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

GASB issued Statement No. 69, "Government Combinations and Disposals of Government Operations" in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" in April 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

GASB issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. Unless these new standards are incorporated into the other comprehensive basis of accounting that is utilized by the Township through legislation or rulemaking they will not become part of the standards followed by the Township for financial reporting. The Division of Local Government Services has adopted rules which require full disclosure in the Notes to Financial Statements of OPEB related matters, as set forth

Comparative Data

Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

A. Summary of Municipal Debt for Capital Projects

| | YEAR 2013 | YEAR 2012 | YEAR 2011 |
|---|---|---|---|
| Issued: | | | |
| General: | | | |
| Bonds, Loans and Notes | $ 1,180,000.00 | $ 1,225,000.00 | $ 1,265,000.00 |
| Authorized but not Issued: | | | |
| General: | | | |
| Bonds & Notes | - | - | - |
| Net Bonds & Notes Issued and Authorized but not Issued | $ 1,180,000.00 | $ 1,225,000.00 | $ 1,265,000.00 |

Summarized below are the Township's individual bond & loan issues which were outstanding at December 31, 2013:

| | AMOUNT ISSUED | AMOUNT OUTSTANDING | INTEREST RATE | FINAL MATURITY |
|---|---|---|---|---|
| General Improvement Debt: | | | | |
| General Improvement Bonds of 2011 | $ 865,000.00 | $ 780,000.00 | 2.000-4.000% | 2029 |
| General Improvement Term Bonds of 2011 | 400,000.00 | 400,000.00 | 4.000% | 2026 |
| Total General. Improv. Debt | | $ 1,180,000.00 | | |

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement

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

FYE 2013

| | Gross Debt | Deductions | Net Debt |
|---|---|---|---|
| Local School District Debt | $9,061,858.00 | $9,061,858.00 | $ |
| General Debt | 1,180,000.00 | | 1,180,000.00 |
| | $10,241,858.00 | $9,061,858.00 | $1,180,000.00 |

Net Debt $1,180,000.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $692,273,191.33 = 0.170%

Equalized Valuation Basis

| | | |
|---|---|---|
| 2011 Equalized Valuation Basis of Real Property | | 717,904,699.00 |
| 2012 Equalized Valuation Basis of Real Property | | 695,893,891.00 |
| 2013 Equalized Valuation Basis of Real Property | | 663,020,984.00 |
| Average Equalized Valuation | $ | 692,273,191.33 |

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

| | | |
|---|---|---|
| 3 1/2% of Equalized Valuation Basis Municipal | | 24,229,561.70 |
| Net Debt | | 1,180,000.00 |
| Remaining Borrowing Power | $ | 23,049,561.70 |

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement

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

FYE 2012

| | Gross Debt | Deductions | Net Debt |
|---|---|---|---|
| Local School District Debt | $11,535,522.00 | $11,535,522.00 | $ |
| General Debt | 1,225,000.00 | | 1,225,000.00 |
| | $12,760,522.00 | $11,535,522.00 | $1,225,000.00 |

Net Debt $1,225,000.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $723,507,866.67 = 0.169%

Equalized Valuation Basis

| | |
|---|---|
| 2010 Equalized Valuation Basis of Real Property | 756,725,010.00 |
| 2011 Equalized Valuation Basis of Real Property | 717,904,699.00 |
| 2012 Equalized Valuation Basis of Real Property | 695,893,891.00 |
| Average Equalized Valuation | $ 723,507,866.67 |

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

| | |
|---|---|
| 3 1/2% of Equalized Valuation Basis Municipal | 25,322,775.33 |
| Net Debt | 1,225,000.00 |
| Remaining Borrowing Power | $ 24,097,775.33 |

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding at December 31, 2013

| Calendar Year | General Capital Bonds Principal | Interest | Total |
|---|---|---|---|
| 2014 | $ 50,000.00 | $ 38,831.25 | $ 88,831.25 |
| 2015 | 55,000.00 | 37,781.25 | 92,781.25 |
| 2016 | 60,000.00 | 36,631.25 | 96,631.25 |
| 2017 | 65,000.00 | 35,340.63 | 100,340.63 |
| 2018 | 70,000.00 | 33,775.00 | 103,775.00 |
| 2019 | 80,000.00 | 31,700.00 | 111,700.00 |
| 2020 | 80,000.00 | 29,300.00 | 109,300.00 |
| 2021 | 80,000.00 | 26,850.00 | 106,850.00 |
| 2022 | 80,000.00 | 24,000.00 | 104,000.00 |
| 2023 | 80,000.00 | 20,800.00 | 100,800.00 |
| 2024 | 80,000.00 | 17,600.00 | 97,600.00 |
| 2025 | 80,000.00 | 14,400.00 | 94,400.00 |
| 2026 | 80,000.00 | 11,200.00 | 91,200.00 |
| 2027 | 80,000.00 | 8,000.00 | 88,000.00 |
| 2028 | 80,000.00 | 4,800.00 | 84,800.00 |
| 2029 | 80,000.00 | 1,600.00 | 81,600.00 |
| | 1,180,000.00 | 372,609.38 | 1,552,609.38 |

Note 4: FIXED ASSETS

The Township has not implemented fixed asset accounting as required by NJAC 5:30-5.7. A record of general Fixed assets has not been presented as part of the Township's basic financial statements.

Note 5: DEFERRED COMPENSATION TRUST FUND

The Township of Greenwich Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and the provisions of N.J.S.A. 43:15B-1. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more the types of investments permitted under the governing regulations. The Township has engaged a private contractor to administer the plan. The Plan specifies that Plan assets are held "for the exclusive benefit of Plan participants and their beneficiaries". Accordingly, the financial statements of the Plan are not included in the Township's financial statements.

Note 6: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2012 and 2013 that were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2013 and 2014 were as follows:

| | FUND BALANCE DEC 31,2012 | UTILIZED IN SUCCEEDING BUDGET |
|---|---|---|
| Current Fund | $1,096,207.86 | $484,107.44 |
| Sewer Operating Fund | $1,319,736.96 | $65,006.15 |

| | FUND BALANCE DEC 31,2013 | UTILIZED IN SUCCEEDING BUDGET |
|---|---|---|
| Current Fund | $940,571.08 | $478,340.15 |
| Sewer Operating Fund | $1,358,091.72 | $64,420.00 |

Note 7: DEFERRED CHARGES TO BE RAISED IN FUTURE BUDGETS

Certain expenditures are required to be deferred to budgets of future years. At December 31, 2013 and 2012, the following deferred charges are shown on the balance sheets of the various funds:

| | BALANCE DEC. 31, 2013 | RAISED IN 2014 BUDGET | BALANCE TO SUCCEEDING YEARS |
|---|---|---|---|
| Current Fund: | | | |
| Overexpenditure | $22,877.17 | $22,075.28 | $801.89 |
| Grant Fund: | | | |
| Overexpenditure | $15,134.18 | $0.00 | $15,134.18 |

| | BALANCE DEC. 31, 2012 | RAISED IN 2013 BUDGET | BALANCE TO SUCCEEDING YEARS |
|---|---|---|---|
| Current Fund: | | | |
| Special Emergency Approp. | $24,000.00 | $24,000.00 | $0.00 |
| Overexpenditure | $21,597.13 | $20,910.65 | $686.48 |
| Grant Fund: | | | |
| Overexpenditure | $59,343.44 | $59,343.44 | $0.00 |

Note 8: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. The Government Unit Deposit Protection Act ("GUDPA") was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the new law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities, which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At December 31, 2012, the Township's recorded cash, cash equivalents and investments amounted to $8,307,832.80. At December 31, 2013, the Township's recorded cash, cash equivalents and investments amounted to $8,533,622.40, and an amount of $8,575,723.45 was on deposit with the respective institutions.

An Analysis of the Township's cash, cash equivalents and investments at December 31, 2012 and 2013, by Fund/Category (Type) is as follows:

By Fund:

| Fund | 2012 Amount | 2013 Amount |
|---|---|---|
| Current | $4,357,379.73 | $4,449,053.02 |
| General Capital | 1,241,473.39 | 1,239,990.14 |
| Animal Control Trust | 4,199.11 | 811.48 |
| Open Space Trust | 358,025.28 | 324,259.98 |
| Other Trust | 521,487.48 | 534,390.52 |
| Sewer Operating | 1,515,708.52 | 1,675,248.27 |
| Sewer Capital | 309,559.29 | 309,868.99 |
| Total Cash, Equivalents & Investments | $8,307,832.80 | $8,533,622.40 |

Note 8: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

By Category (Type)

| Cash & Cash Equivalents: | 2013 Amount |
|---|---|
| Demand Accounts | $8,575,142.07 |
| State of NJ Cash Mgmt. Fund | 581.38 |
| Total Cash & Cash Equivalents | $8,575,723.45 |

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposits and State of New Jersey Cash Management Fund as cash and cash equivalents. At December 31, 2013, the carrying amount of the Township's deposits was $8,533,622.40 and the bank balance was $8,575,723.45. Of the bank balance, Federal Depository Insurance covered $500,000.00 and $8,075,142.07 was covered under the provisions of GUDPA.

At December 31, 2013, the Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) an accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Risk of its cash and investments.

(a) Custodial Credit Risk – The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.

(b) Concentration of Credit Risk – This is the risk associated with the amount of investments that the Township has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

(c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy.

(d) Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2013, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balances was considered exposed to custodial credit risk

Note 8: DEPOSITS AND INVESTMENTS (CONT'D.)

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;

2. Government money market mutual funds;

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

5. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of the Treasury for investment by local units;

6. Local government investment pools;

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities, if:

a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
b. the custody of collateral is transferred to a third party;
c. the maturity of the agreement is not more than 30 days;
d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

New Jersey Cash Management Fund – all investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments' existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of December 31, 2013, the Township had $581.38 cash on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

## Note 9: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The New Jersey Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of $10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

## Note 10: PENSION AND RETIREMENT PLANS

Employees of the Township of Greenwich are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plans are not available. The Township's contributions in 2012 and 2013 were $66,310.00 and $62,455.00 respectively for PERS, and $200,439.00 and $191,424.00 respectively for PFRS.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. These financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Note 11: INTERFUND LOANS

The following interfund balances appear on the balance sheets of the various funds at December 31, 2013:

| FUND | INTERFUND RECEIVABLE | INTERFUND PAYABLE |
|---|---|---|
| Current Fund: | $188,847.50 | 744,180.08 |
| Grant Fund | 190,508.36 | 45,000.00 |
| Open Space Trust | 562,170.80 | |
| Animal Control Fund | | 181.21 |
| General Trust | 1,062,767.00 | 93,658.55 |
| General Capital Fund | 107,950.92 | 1,134,217.00 |
| Sewer Operating Fund | | 150,138.75 |
| Sewer Capital Fund | 55,131.01 | |
| | $2,167,375.59 | $2,167,375.59 |

Note 12: ACCRUED SICK AND VACATION BENEFITS

The Township of Greenwich has established policy by ordinance, collectively bargained labor agreements and individual employment agreements which sets the terms under which an employee may accumulate unused benefits for sick leave, other leave, compensatory time, and vacations. These accumulated unused benefits may be taken as paid time off or as termination pay if qualified.

The amounts or earned but unpaid sick and vacation benefits at December 31, 2012 was $20,061.22. At December 31, 2013, the amount of earned but unpaid benefits was $17,784.00.

These amounts represents the current value of all accumulations, as limited by existing policies, and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 13: 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 has developed a risk management plan to address these matters, as follows:

A. Health Benefits

The Township provides health benefits to its eligible employees through traditional insurance coverage which provides for a risk-transfer to the insurer in exchange for the payment of contractual premiums. Employees are required to contribute a portion of the costs of such insurance.

B. Liability and Workers' Compensation

The Township maintains commercial insurance coverages to mitigate the financial impact to the Township of any such losses. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

C. New Jersey Unemployment Compensation Insurance

The Township has adopted the "Contributory Method" to fund the costs of unemployment claims. Under this method, all employee withholdings are remitted to the State of New Jersey together with an employer share which is based upon an experience rating. Charges to the 2013 municipal budget for unemployment costs was $5,219.08.

Note 14: DEFERRED SCHOOL TAXES

New Jersey statutes permit the deferral of liability for not more than 50% of the annual school tax levy when school taxes are levied in the calendar year that includes the first half of the school year being funded by such taxes, and such taxes have not been requisitioned by the school district. The status of deferred school taxes for the year ended December 31, 2013 was as follows:

| | TOTAL BALANCE | TAX PAYABLE | TAX DEFERRED |
|---|---|---|---|
| School Tax Balance – January 1, 2013 | $4,123,892.98 | $2,421,643.98 | $1,702,249.00 |
| Add: | | | |
| 2013 School Tax Levy | 8,397,041.00 | 8,397,041.00 | 0.00 |
| | 12,520,933.98 | 10,818,684.98 | 1,702,249.00 |
| Less: | | | |
| School Tax Paid | 8,657,422.48 | 8,657,422.48 | 0.00 |
| School Tax Balance–December 31, 2013 | $3,863,511.50 | $2,161,262.50 | $1,702,249.00 |

## Note 15: LEASES

On January 6, 2012, the Township entered into a long-term lease purchase of a Dodge Charger police car, totaling $32,998.00. The lease is for a three (3) year term expiring January 9, 2014. The interest rate is 6.50 %.

The following is a schedule of future minimum lease payments as of December 31, 2013:

| | |
|---|---|
| Total minimum lease payment | $11,695.27 |
| Less: amount representing interest | 713.78 |
| Present value of net minimum lease payments | $10,981.49 |

| Calendar Year | Principal | Interest | Total Lease Payments |
|---|---|---|---|
| 2014 | $10,981.49 | $713.78 | $11,695.27 |

On November 26, 2013, the Township entered into a New Jersey Municipal Lease-Purchase Agreement with Government Capital Corporation to acquire a 2000 Pierce Dash 100' Platform fire apparatus. Funding was provided in the amount of $325,000, the purchase price of the vehicle. A payment of $30,000 was made to Government Capital Corporation upon execution of the lease. The lease agreement requires interest to be paid on the outstanding principal balance at the rate of 3.591% per annum. The payment schedule and optional purchase prices for the outstanding balance at December 31, 2013 was as follows:

| Date | Total Payment | Interest Payment | Principal Payment | Optional Purchase Price |
|---|---|---|---|---|
| 5/1/2014 | $47,458.67 | $4,590.50 | $42,868.17 | $256,667.19 |
| 5/1/2015 | 47,458.67 | 9,054.06 | 38,404.61 | 217,036.87 |
| 5/1/2016 | 47,458.67 | 7,674.95 | 39,783.72 | 176,197.82 |
| 5/1/2017 | 47,458.67 | 6,246.31 | 41,212.36 | 134,113.18 |
| 5/1/2018 | 47,458.67 | 4,766.38 | 42,692.29 | 90,744.96 |
| 5/1/2019 | 47,458.67 | 3,233.30 | 44,225.37 | 46,054..01 |
| 5/1/2020 | 47,458.67 | 1,645.19 | 45,813.48 | 0.00 |
| Totals | $332,210.69 | $37,210.69 | $295,000.00 | |

## Note 16: COMMITMENTS AND CONTINGENCIES

### A. Litigation Pending or Threatened

As at the date of this report, the Township had various litigation pending. The majority of the cases pending or threatened are defended and/or covered through the Township's insurance coverages and risk management plan. There are also several tax appeals pending, including an appeal by one of the Township's largest taxpayers, and covering the tax years 2009-2014. In the event of an unfavorable outcome, it is probable that this matter would result in a material adverse impact upon the Township's financial position.

**TOWNSHIP OF GREENWICH**

**WARREN COUNTY, NEW JERSEY**

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**PART II**

**SUPPLEMENTARY SCHEDULES**

## Current Fund

Exhibit - A-4

## SCHEDULE OF CURRENT FUND CASH AND INVESTMENTS - TREASURER

| | CURRENT FUND | |
|---|---|---|
| Balance - December 31, 2012 | | $4,357,379.73 |
| Increased by Receipts: | | |
| Miscellaneous Revenue Anticipated | 877,403.88 | |
| Miscellaneous Revenue Not Anticipated | 91,364.65 | |
| Taxes Receivable | 16,119,037.37 | |
| Other Reserves | 94,865.33 | |
| Tax Overpayments | 14,221.96 | |
| State of NJ Sr. Citizen's & Vet. Deductions | 38,000.00 | |
| Interfund Accounts | 88,554.69 | |
| Prepaid Taxes | 86,809.79 | |
| Unallocated Cash Receipts | 45,197.82 | |
| Contra | 83,613.96 | |
| | | 17,539,069.45 |
| Balance Carried Forward | | 21,896,449.18 |
| Decreased by Disbursements: | | |
| Prior Years Refunds | 224.00 | |
| Erroneous Prior Year Deposits in Transit | 35,237.45 | |
| Budget Appropriations | 3,353,534.83 | |
| Interfund Accounts | 91,364.05 | |
| Other Reserves | 93,908.72 | |
| Appropriation Reserves | 129,045.13 | |
| Tax Overpayments | 24,332.10 | |
| Local School Tax | 8,657,422.48 | |
| County Taxes | 4,978,713.44 | |
| Contra | 83,613.96 | |
| | | 17,447,396.16 |
| Balance (Deficit) - December 31, 2013 | | $4,449,053.02 |

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
CURRENT FUND

Exhibit - A-5

| YEAR | BALANCE DEC. 31,2012 | 2013 LEVY | COLLECTIONS BY CASH 2012 | COLLECTIONS BY CASH 2013 | STATE SHARE OF SR. CIT & VET. DEDUCTIONS | TAX OVER - PAYMENTS APPLIED | REMITTED OR CANCELLED | BALANCE DEC. 31,2013 |
|---|---|---|---|---|---|---|---|---|
| 2010 | $ 247.43 | $ - | $ - | $ 247.43 | | | | $ - |
| 2011 | 7,959.43 | | | 7,959.43 | | | | - |
| 2012 | 359,104.15 | | | 359,104.15 | | | | - |
| 2013 | 367,311.01 | 16,263,618.47 | 93,457.07 | 367,311.01<br>15,751,726.36 | 34,750.00 | 43,745.58 | 15,907.99 | -<br>324,031.47 |
| | $367,311.01 | $16,263,618.47 | $93,457.07 | $16,119,037.37 | $34,750.00 | $43,745.58 | $15,907.99 | $324,031.47 |

Analysis of 2011 Property Tax Levy:

Tax Yield:

| | | |
|---|---|---|
| General Purpose | 16,250,536.61 | |
| Added Taxes (54:4-63.1 et seq.) | 9,461.53 | |
| Added/Omitted Taxes | 3,620.33 | |
| | | $16,263,618.47 |

Tax Levy:

| | | |
|---|---|---|
| Local District School Tax (Abstract) | 8,397,041.00 | |
| County Tax (Abstract) | 4,308,965.87 | |
| County Library Tax (Abstract) | 353,172.39 | |
| County Open Space Tax (Abstract) | 314,405.68 | |
| Added County Tax | 4,010.08 | |
| Municipal Open Space Tax Tax | 240,193.00 | |
| | | 13,617,788.02 |
| Local Tax for Mun. Purposes (Abstract) | 2,631,977.65 | |
| Add: Additional Tax Levied | 13,852.80 | |
| | | 2,645,830.45 |
| | | $16,263,618.47 |

Exhibit - A- 6

SCHEDULE OF TAX TITLE LIENS
CURRENT FUND

| | |
|---|---|
| Balance - December 31, 2012 | $37,036.06 |
| Balance - December 31, 2013 | $37,036.06 |

Exhibit - A-7

SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE OR (PAYABLE)
CURRENT FUND

| | BALANCE DEC. 31, 2012 | INCREASE | DECREASE | BALANCE DEC. 31, 2013 |
|---|---|---|---|---|
| Due from Sewer Operating Fund | $50,703.47 | $46,170.70 | $1,866.43 | $95,007.74 |
| Due from Animal Control Fund | 181.21 | | | 181.21 |
| Other Trust Fund | 70,066.18 | 26,050.37 | 2,458.00 | 93,658.55 |
| Open Space Trust Fund | (250,527.80) | 240,193.00 | | (490,720.80) |
| Federal and State Grant Fund | (77,068.84) | 128,573.70 | 15,134.18 | (190,508.36) |
| General Capital Fund | 808.70 | 1,240.38 | 65,000.00 | (62,950.92) |
| | ($205,837.08) | $442,228.15 | $84,458.61 | ($555,332.58) |
| Receivables | $121,759.56 | | | $188,847.50 |
| Payables | (327,596.64) | | | (744,180.08) |
| | ($205,837.08) | | | ($555,332.58) |
| Cash Disbursements | | 36,933.25 | 15,134.18 | |
| 2013 Capital Imp. Fund Approp. | | | 50,000.00 | |
| Deferred Charges Raised in 2013 | | 59,343.44 | | |
| Charge to Operations-Erroneous Prior Year Deposits in Transit | | 35,237.45 | | |
| 2013 Open Space Tax | | 240,193.00 | | |
| Interest Due from General Capital | | 1,240.38 | | |
| Interest Due from Trust Other | | 50.37 | | |
| Cash Receipts | | 69,230.26 | 19,324.43 | |
| | | $442,228.15 | $84,458.61 | |

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

Exhibit A-8

| | BALANCE - DEC. 31, 2012 | | BALANCE AFTER | PAID OR | BALANCE | OVER- |
|---|---|---|---|---|---|---|
| | ENCUMBERED | RESERVED | MODIFICATION | CHARGED | LAPSED | EXPENDED |
| Operations - within "CAPS": | | | | | | |
| GENERAL GOVERNMENT FUNCTIONS: | | | | | | |
| General Government: | | | | | | |
| General Administration | | | | | | |
| Other Expenses | 1,075.11 | 13.26 | 1,088.37 | 1,075.11 | 13.26 | |
| Mayor and Council | | | | | | |
| Salaries & Wages | | 202.79 | 202.79 | 2,027.91 | | 1,825.12 |
| Municipal Clerk | | | | | | |
| Salaries & Wages | | | | 2,376.65 | | 2,376.65 |
| Other Expenses | 60.83 | 29.60 | 90.43 | 60.83 | 29.60 | |
| Elections | | 15.66 | 15.66 | | 15.66 | |
| Financial Administration | | | | | | |
| Salaries and Wages | | 638.92 | 638.92 | | 638.92 | |
| Other Expenses | | 168.93 | 168.93 | | 168.93 | |
| Payroll Services | 547.56 | 2,234.29 | 2,781.85 | 1,524.18 | 1,257.67 | |
| Audit Services | | | | | | |
| Other Expenses | 3,000.00 | | 3,000.00 | 3,000.00 | | |
| Revenue Administration | | | | | | |
| Salaries & Wages | | | | 910.79 | | 910.79 |
| Assessment of Taxes | | | | | | |
| Salaries & Wages | | | | 2,110.08 | | 2,110.08 |
| Other Expenses | 3,057.86 | 198.11 | 3,255.97 | 4,057.86 | | 801.89 |
| Legal Services | | | | | | |
| Other Expenses | 1,988.00 | 29,142.13 | 31,130.13 | 31,058.51 | 71.62 | |
| Engineering Services | | | | | | |
| Other Expenses | | 2,571.25 | 2,571.25 | 1,647.50 | 923.75 | |
| LAND USE ADMINISTRATION | | | | | | |
| Planning Board | | | | | | |
| Salaries & Wages | | 44.62 | 44.62 | 44.62 | | |
| Other Expenses | | 7.13 | 7.13 | | 7.13 | |
| Zoning Board of Adjustment | | | | | | |
| Salaries & Wages | | 1,751.40 | 1,751.40 | 3,801.29 | | 2,049.89 |
| COAH Officer | | | | | | |
| Salaries & Wages | | 43.42 | 43.42 | 200.16 | | 156.74 |
| CODE ENFORCEMENT | | | | | | |
| Fire Inspector | | | | | | |
| Salaries & Wages | | | | 1.00 | | 1.00 |
| INSURANCE | | | | | | |
| Employee Group Health | | 29,636.21 | 29,636.21 | 29,636.21 | | |
| Unemployment Insurance | | | | 3,487.53 | | 3,487.53 |
| PUBLIC SAFETY FUNCTIONS: | | | | | | |
| Police | | | | | | |
| Salaries and Wages | | 16,871.60 | 16,871.60 | 92,395.72 | | 75,524.12 |
| Other Expenses | 15,620.06 | 1,521.17 | 17,141.23 | 17,132.21 | 9.02 | |
| School Crossing Guards | | | | | | |
| Salaries and Wages | | 1,667.94 | 1,667.94 | 2,089.69 | | 421.75 |
| Other Expenses | | 200.00 | 200.00 | | 200.00 | |
| Office of Emergency Management Services | | | | | | |
| Salaries & Wages | | 76.23 | 76.23 | 76.23 | | |
| Other Expenses | | 350.00 | 350.00 | | 350.00 | |
| Fire | | | | | | |
| Other Expenses | | | | | | |
| Fire Hydrant Service | | 6,727.00 | 6,727.00 | 6,727.00 | | |
| Fire and Safety Code Enforcement | | | | | | |
| Salaries & Wages | | | | 1.03 | | 1.03 |
| Municipal Prosecutor | | | | | | |
| Salaries & Wages | | | | 2,350.75 | | 2,350.75 |

CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES

Exhibit A-8

| | BALANCE - DEC. 31, 2012 | | BALANCE AFTER | PAID OR | BALANCE | OVER- |
|---|---|---|---|---|---|---|
| | ENCUMBERED | RESERVED | MODIFICATION | CHARGED | LAPSED | EXPENDED |
| PUBLIC WORKS FUNCTIONS: | | | | | | |
| Streets and Road Maintenance | | | | | | |
| Salaries and Wages | | 11,050.69 | 11,050.69 | 24,834.12 | | 13,783.43 |
| Other Expenses | 9,304.03 | 5,240.63 | 14,544.66 | 14,544.66 | | |
| Solid Waste Collection | | | | | | |
| Salaries & Wages | | | | 173.42 | | 173.42 |
| Other Expenses | | 51.49 | 51.49 | | 51.49 | |
| Public Buildings and Grounds | | | | | | |
| Other Expenses | 110.00 | | 110.00 | 110.00 | | |
| HEALTH & HUMAN SERVICES FUNCTIONS: | | | | | | |
| Public Health Services | | | | | | |
| Other Expenses | | 200.00 | 200.00 | | 200.00 | |
| Environmental Commission | | | | | | |
| Other Expenses | | 500.00 | 500.00 | | 500.00 | |
| Animal Control Services | | | | | | |
| Salaries & Wages | | 8.00 | 8.00 | 353.50 | | 345.50 |
| PARKS & RECREATION FUNCTIONS | | | | | | |
| Recreation | | | | | | |
| Other Expenses | | 7,500.00 | 7,500.00 | 5,429.00 | 2,071.00 | |
| Maintenance of Parks | | | | | | |
| Other Expenses | | 2,392.83 | 2,392.83 | | 2,392.83 | |
| MUNICIPAL COURT | | | | | | |
| Municipal Court | | | | | | |
| Salaries & Wages | | 5,297.80 | 5,297.80 | 9,248.46 | | 3,950.66 |
| Other Expenses | 151.94 | | 151.94 | 151.94 | | |
| UNCLASSIFIED: | | | | | | |
| Celebration of Public Event or Holiday | | | | | | |
| Other Expenses | | 371.50 | 371.50 | | 371.50 | |
| Utilities | | | | | | |
| Electricity | 4,272.45 | 1,087.74 | 5,360.19 | 4,272.45 | 1,087.74 | |
| Street Lighting | | 2,087.91 | 2,087.91 | | 2,087.91 | |
| Telephone | 431.52 | 97.20 | 528.72 | 528.72 | | |
| Water | 130.82 | 93.66 | 224.48 | 130.82 | 93.66 | |
| Gasoline & Diesel Fuel | 1,857.25 | 1,521.13 | 3,378.38 | 1,857.25 | 1,521.13 | |
| Total Operations {Item 8(A)} within "CAPS" | 41,607.43 | 131,612.24 | 173,219.67 | 269,427.20 | 14,062.82 | 110,270.35 |
| Total Operations Including Contingent within "CAPS" | 41,607.43 | 131,612.24 | 173,219.67 | 269,427.20 | 14,062.82 | 110,270.35 |
| STATUTORY EXPENDITURES WITHIN "CAPS": | | | | | | |
| Contribution to: | | | | | | |
| Social Security System (O.A.S.I.) | | | | 4,766.43 | | 4,766.43 |
| Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS" | | | | 4,766.43 | | 4,766.43 |
| Total General Appropriations for Municipal Total within "CAPS" | 41,607.43 | 131,612.24 | 173,219.67 | 274,193.63 | 14,062.82 | 115,036.78 |
| Operations - Excluded from "CAPS": | | | | | | |
| Interlocal Municipal Service Agreements: | | | | | | |
| CFO Services - Borough of Alpha | | 6.16 | 6.16 | | 6.16 | |
| Total Excluded from "CAPS" | | 6.16 | 6.16 | | 6.16 | |
| Subtotals | 41,607.43 | 131,618.40 | 173,225.83 | 274,193.63 | 14,068.98 | 115,036.78 |
| Less: 2012 Disbursements Posted in 2013 | | | | (141,034.10) | 26,799.21 | (114,234.89) |
| | 41,607.43 | 131,618.40 | 173,225.83 | 133,159.53 | 40,868.19 | 801.89 |
| Cash Disbursed | | | | 129,045.13 | | |
| Reserve for Encumbrances | | | | 4,114.40 | | |
| | | | | 133,159.53 | | |

Exhibit - A-9

SCHEDULE OF DUE TO STATE OF NEW JERSEY - VARIOUS FEES
CURRENT FUND

| | TOTAL | MARRIAGE LICENSE FEES | BURIAL PERMITS | DCA TRAINING FEES |
|---|---|---|---|---|
| Balance - December 31, 2012 | $350.00 | $350.00 | $ - | $ - |
| Balance - December 31, 2013 | $350.00 | $350.00 | $ - | $ - |

Exhibit - A-10

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES
CURRENT FUND

| | |
|---|---|
| Balance - December 31, 2012 | $2,421,643.98 |
| Increased by: | |
| 2013 Levy | 8,397,041.00 |
| | 10,818,684.98 |
| Decreased by: | |
| Payments | 8,657,422.48 |
| Balance - December 31, 2013 | $2,161,262.50 |

Exhibit - A-11

SCHEDULE OF OPEN SPACE TAXES
CURRENT FUND

| | |
|---|---|
| Increased by: | |
| 2013 Levy | $240,193.00 |
| Decreased by: | |
| Due to Dedicated Trust Fund | $240,193.00 |

Exhibit - A-12

SCHEDULE OF COUNTY TAXES PAYABLE
CURRENT FUND

| | | |
|---|---|---|
| Balance - December 31, 2012 | | $2,169.50 |
| Increased by: | | |
| 2013 Levy: | | |
| County Tax | 4,308,965.87 | |
| County Library Tax | 353,172.39 | |
| County Open Space Preservation | 314,405.68 | |
| Added Taxes (R.R. 54:4-63.1 et seq.) | 4,010.08 | |
| | | 4,980,554.02 |
| | | 4,982,723.52 |
| Decreased by: | | |
| Payments | | 4,978,713.44 |
| Balance - December 31, 2013 | | $4,010.08 |

Exhibit - A-13

SCHEDULE OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZEN AND VETERAN DEDUCTIONS
CURRENT FUND

| | |
|---|---|
| Balance - December 31, 2012 | $3,239.03 |
| Increased by: | |
| Cash Received | 38,000.00 |
| | 41,239.03 |
| Decreased by: | |
| 2013 Property Tax Deductions | 34,750.00 |
| Balance - December 31, 2013 | $6,489.03 |

Exhibit - A-14

SCHEDULE OF OTHER RESERVES
CURRENT FUND

| | BALANCE DEC. 31, 2012 | INCREASE | DECREASE | BALANCE DEC. 31, 2013 |
|---|---|---|---|---|
| Pedestrian Crossing | $ 138,207.00 | | | $ 138,207.00 |
| Outside Lien Redemptions | | 94,865.33 | 93,908.72 | 956.61 |
| Codification of Ordinances | 89,578.67 | | | 89,578.67 |
| | $ 227,785.67 | $ 94,865.33 | $ 93,908.72 | $ 228,742.28 |

Exhibit - A-15

SCHEDULE OF DEFERRED CHARGES
CURRENT FUND

| | BALANCE DEC. 31, 2012 | INCREASE | DECREASE | BALANCE DEC. 31, 2013 |
|---|---|---|---|---|
| CURRENT FUND: | | | | |
| Special Emergency Approp. 2008 Codification of Ordinances | $ 24,000.00 | $ - | 24,000.00 | $ - |
| Overexpenditure of 2009 Appropriation Reserves | 20,910.65 | | 20,910.65 | - |
| Overexpenditure of 2011 Appropriation Reserves | 686.48 | | | 686.48 |
| Overexpenditure of 2012 Appropriation Reserves | | 801.89 | | 801.89 |
| Overexpenditure of 2013 Budget | | 21,388.80 | | 21,388.80 |
| Current Fund Totals | $ 45,597.13 | $ 22,190.69 | $ 44,910.65 | $ 22,877.17 |

Exhibit - A-16

SCHEDULE OF DEFERRED CHARGES
GRANT FUND

| | BALANCE DEC. 31, 2012 | INCREASE | DECREASE | BALANCE DEC. 31, 2013 |
|---|---|---|---|---|
| GRANT FUND: | | | | |
| Overexpenditure of Grant Appropriations | $ 27,710.00 | $ - | $ 27,710.00 | $ - |
| Expenditures Without Appropriations | 31,633.44 | 15,134.18 | 31,633.44 | 15,134.18 |
| | $ 59,343.44 | $ 15,134.18 | $ 59,343.44 | $ 15,134.18 |

Exhibit - A-17

## SCHEDULE OF PREPAID TAXES
## CURRENT FUND

| | |
|---|---|
| Balance - December 31, 2012 | $93,457.07 |
| Increased by: | |
| Prepaid 2014 Taxes Received | 86,809.79 |
| | 180,266.86 |
| Decreased by: | |
| Applied to 2013 Taxes Receivable | 93,457.07 |
| Balance - December 31, 2013 | $86,809.79 |

Exhibit - A-18

## SCHEDULE OF TAX OVERPAYMENTS
## CURRENT FUND

| | | |
|---|---|---|
| Balance - December 31, 2012 | | $55,304.12 |
| Increased by: | | |
| Overpayments Received | | 14,221.96 |
| | | 69,526.08 |
| Decreased by: | | |
| Applied to Taxes Receivable | 43,745.58 | |
| Refunds | 24,332.10 | |
| | | 68,077.68 |
| Balance - December 31, 2013 | | $1,448.40 |

Exhibit - A-19

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

| GRANT | BALANCE DEC. 31,2012 | 2013 BUDGET REVENUE REALIZED | COLLECTED 2013 | TRANS. FROM STATE & FED. GRANTS UNAPPROP. | TRANS. TO GENERAL CAPITAL FUND | BALANCE DEC. 31,2013 |
|---|---|---|---|---|---|---|
| Safe & Secure Program - 2011 | $ 25,392.00 | $ | $ 25,392.00 | $ | | $ - |
| Safe & Secure Program - 2012 | 30,000.00 | | | | | 30,000.00 |
| Drunk Driving Enforcement Fund | | 6,554.71 | | 6,554.71 | | - |
| Highlands Assessment Grant | 17,968.83 | | | | | 17,968.83 |
| Highlands Plan Conformance Grant | 462.47 | | | | | 462.47 |
| Highlands Water Protection | 3,842.05 | | | | | 3,842.05 |
| Body Armor Replacement Fund | | 2,727.73 | | 2,727.73 | | - |
| Over the Limit - Under Arrest 2011 | 2,238.56 | | | | | 2,238.56 |
| Body Armor Replacement Fund | | | | | | - |
| Emergency Management Grant | | | | | | - |
| NJDOT Safe Routes to School | 135,700.00 | | | | | 135,700.00 |
| NJDOT Transportation Trust Fund | | 160,000.00 | | | 160,000.00 | |
| Drive Sober/Get Pulled Over | 5,000.00 | 9,291.33 | | 9,291.33 | | 5,000.00 |
| Clean Communities | 214.25 | 10,326.28 | | 10,326.28 | | 214.25 |
| BPU Clean Energy Grant | | 31,633.44 | | 31,633.44 | | - |
| Recycling Tonnage Grant | | 7,233.55 | | 7,233.55 | | - |
| | $ 220,818.16 | $ 227,767.04 | $ 25,392.00 | $ 67,767.04 | 160,000.00 | $ 195,426.16 |

Exhibit - A-20

SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

| GRANT/AID PROGRAM | BALANCE DEC. 31,2012 | TRANSFERRED FROM 2011 BUDGET | TRANSFER TO GENERAL CAPITAL | BALANCE DEC. 31,2011 |
|---|---|---|---|---|
| Body Armor Fund - Prior | $ 1,881.98 | $ | $ | $ 1,881.98 |
| Body Armor Fund - 2013 | | 2,727.73 | | 2,727.73 |
| Fire Safety | 3,989.00 | | | 3,989.00 |
| Gypsy Moth | 782.00 | | | 782.00 |
| Bike Path Phase II | 1,364.00 | | | 1,364.00 |
| Emergency Mgmt. Support Grant | 27,724.00 | | | 27,724.00 |
| Drunk Driving Enforcement Fund 2013 | | 6,554.71 | | 6,554.71 |
| South Main Street | 19,809.00 | | | 19,809.00 |
| Stormwater Regulation | 484.00 | | | 484.00 |
| WalMart | 1,000.00 | | | 1,000.00 |
| Highlands Water Protection | 1,811.48 | | | 1,811.48 |
| Highlands Plan Conformance | 462.47 | | | 462.47 |
| Highlands Assessment | 3,842.05 | | | 3,842.05 |
| NJ Clean Energy Grant | | 31,633.44 | | 31,633.44 |
| Clean Communities Act - 2009 | 4,542.10 | | | 4,542.10 |
| Clean Communities Act - 2010 | 2,037.29 | | | 2,037.29 |
| Clean Communities Act - 2011 | 9,801.69 | | | 9,801.69 |
| Clean Communities Act - 2012 | 10,356.83 | | | 10,356.83 |
| Clean Communities Act - 2013 | | 10,326.28 | | 10,326.28 |
| Over the Limit - Under Arrest 2011 | 2,447.99 | | | 2,447.99 |
| Drive Sober/Get Pulled Over | | 9,291.33 | | 9,291.33 |
| NJDOT Safe Routes to School | 102,359.92 | | | 102,359.92 |
| NJDOT Willow Grove | 92.25 | | | 92.25 |
| NJDOT Transportation Trust Fund | | 160,000.00 | 160,000.00 | - |
| Alcohol Education and Rehabilitation Fund | 8,853.28 | | | 8,853.28 |
| Recycling Tonnage Grant-Prior | 10,810.76 | | | 10,810.76 |
| Recycling Tonnage Grant - 2013 | | 7,233.35 | | 7,233.35 |
| Greenwich St. Bike Path | 14,957.00 | | | 14,957.00 |
| Warren County Legal Services | 2,500.00 | | | 2,500.00 |
| Safe & Secure Program Local Share | 10,038.40 | | | 10,038.40 |
| | $ 241,947.49 | $ 227,766.84 | $ 160,000.00 | $ 309,714.33 |

SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS
UNAPPROPRIATED
GRANT FUND

| GRANTS | BALANCE DEC. 31,2012 | APPROPRIATED 2013 BUDGET | 2013 CASH RECEIPTS | BALANCE DEC. 31,2013 |
|---|---|---|---|---|
| Clean Communities Act | $ 10,326.28 | $ 10,326.28 | $ 11,908.21 | $ 11,908.21 |
| Recycling Tonnage Grant | 7,233.55 | 7,233.55 | 24,635.42 | 24,635.42 |
| Drunk Driving Enforcement Fund | 6,554.71 | 6,554.71 | 1,322.00 | 1,322.00 |
| Drive Sober/Get Pulled Over | 9,291.33 | 9,291.33 | | - |
| NJ Clean Energy Program | 34,149.35 | 31,633.44 | | 2,515.91 |
| Alcohol Education and Rehabilitation | | | 4,330.98 | 4,330.98 |
| Body Armor Fund | 2,727.73 | 2,727.73 | 1,641.65 | 1,641.65 |
| | $ 70,282.95 | $ 67,767.04 | $ 43,838.26 | $ 46,354.17 |

**Trust Fund**

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

Exhibit - B-3

| | OPEN SPACE FUND | | ANIMAL CONTROL FUND | | GENERAL TRUST FUND | |
|---|---|---|---|---|---|---|
| Balance - December 31, 2012 | | $358,025.28 | | $4,199.11 | | $521,487.48 |
| Increased by Receipts: | | | | | | |
| Public & Private Funding | | | | | | |
| Open Space Tax | | | | | | |
| Interest Earned on Deposits | 338.20 | | 3.69 | | | |
| Dog License Fees | | | 2,264.50 | | | |
| Unidentified receipts | | | | | 1,373.82 | |
| Due to State of New Jersey | | | 343.80 | | | |
| Interfund Loans | | | | | 26,050.37 | |
| Other Reserves | | | | | 1,219,206.71 | |
| | | 338.20 | | 2,611.99 | | 1,246,630.90 |
| | | 358,363.48 | | 6,811.10 | | 1,768,118.38 |
| Decreased by Disbursements: | | | | | | |
| Dedicated Open Space trust Fund Expenditures | 34,103.50 | | | | | |
| Expend. Under R.S. 4:19-15.11 | | | 5,669.62 | | | |
| Due to State of New Jersey | | | 330.00 | | | |
| Interfund Loans | | | | | | |
| Other Reserves | | | | | 1,233,727.86 | |
| | | 34,103.50 | | 5,999.62 | | 1,233,727.86 |
| Balance - December 31, 2013 | | $324,259.98 | | $811.48 | | $534,390.52 |

SCHEDULE OF OTHER RESERVES
ESCROWS AND REFUNDABLE DEPOSITS
TRUST FUND

| | BALANCE DEC. 31,2012 | INCREASE | DECREASE | BALANCE DEC. 31,2011 |
|---|---|---|---|---|
| C.O.A.H | 1,245,968.78 | 2,004.29 | 33,233.22 | 1,214,739.85 |
| Escrow Deposits | 117,941.80 | 29,543.59 | 50,395.11 | 97,090.28 |
| Tax Sale Premiums | 24,200.00 | 24,600.00 | 15,209.99 | 33,590.01 |
| Payroll Agency | 15,098.25 | 1,051,181.37 | 1,051,178.54 | 15,101.08 |
| Recreation Commission | 22,321.25 | 92,695.58 | 82,911.00 | 32,105.83 |
| Small Cities Program | 67,850.52 | 6,977.88 | | 74,828.40 |
| Communiy Day | 5,954.65 | | | 5,954.65 |
| Fire Inspection Penalties | 1,500.00 | 1,758.00 | | 3,258.00 |
| Snow Removal Trust | 12,000.00 | 11,000.00 | | 23,000.00 |
| P.O.A.A. | 2.00 | 4.00 | | 6.00 |
| Public Defender | 1,351.05 | 1,900.00 | 800.00 | 2,451.05 |
| | 1,514,188.30 | 1,221,664.71 | 1,233,727.86 | 1,502,125.15 |

## General Capital Fund

Exhibit - C- 2

SCHEDULE OF GENERAL CAPITAL FUND
CASH AND INVESTMENTS-TREASURER

| | | |
|---|---|---|
| Balance - December 31, 2012 | | $ 1,241,473.39 |
| Increased by Receipts: | | |
| Interfund Accounts Receipts | 1,240.38 | |
| | | 1,240.38 |
| | | 1,242,713.77 |
| Decreased by Disbursements: | | |
| Improvement Authorizations | 2,723.63 | |
| | | 2,723.63 |
| Balance - December 31, 2013 | | $ 1,239,990.14 |

Exhibit C-3

## ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

| ORD. NO. | IMPROVEMENT AUTHORIZATION | BALANCE DEC. 31, 2012 | RECEIPTS: BONDS AND NOTES | RECEIPTS: MISCELLANEOUS | DISBURSED: MISCELLANEOUS | TRANSFERS: FROM | TRANSFERS: TO | BALANCE DEC. 31, 2011 |
|---|---|---|---|---|---|---|---|---|
| | Fund Balance | $51,278.77 | | | | | | $51,278.77 |
| | Due from/to Grant Fund | (45,000.00) | | | | | | (45,000.00) |
| | Due from/to Current Fund | 808.70 | | 1,240.38 | | 65,000.00 | | (62,950.92) |
| | Due from/to Trust Other Fund | 1,062,767.00 | | | | | | 1,062,767.00 |
| | Due from/to Open Space Trust Fund | 71,450.00 | | | | | | 71,450.00 |
| | Grants Receivable | (15,000.00) | | | | 160,000.00 | 15,000.00 | (160,000.00) |
| | Capital Improvement Fund | 63,099.00 | | | | 60,000.00 | 50,000.00 | 53,099.00 |
| | Reserves: | | | | | | | - |
| | Recreation Improvements | 5,283.00 | | | | | | 5,283.00 |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| | | | | | | | | - |
| 2003-05 | Acquis. Of Real Property-Athletic | | | | | | | - |
| | Fields, Parks & Open Space | 35,145.30 | | | | | | 35,145.30 |
| 2010-13 | School Sidewalk | 1,016.62 | | | 751.28 | | | 265.34 |
| 2012-12 | Playground Equipment | 7,625.00 | | | 1,392.35 | | | 6,232.65 |
| 2012-14 | Fire House Bays | 3,000.00 | | | | | | 3,000.00 |
| 2013-06 | Dumont Rd. Improvement | | | | 580.00 | | 220,000.00 | 219,420.00 |
| | | 1,241,473.39 | | 1,240.38 | 2,723.63 | 285,000.00 | 285,000.00 | 1,239,990.14 |

Exhibit - C- 4

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED

| | |
|---|---|
| Balance - December 31, 2012 | $ 1,225,000.00 |
| Decreased by: | |
| Bonds Retired by 2013 Budget Appropriation | 45,000.00 |
| Balance - December 31, 2013 | $ 1,180,000.00 |

Exhibit - C- 5

## SCHEDULE OF GENERAL CAPITAL FUND
## GRANTS RECEIVABLE

| | |
|---|---|
| Balance - December 31, 2012 | $ 15,000.00 |
| Increased by: | |
| Grant Awards to Finance Improvement Authorizations | 160,000.00 |
| | 175,000.00 |
| Decreased by: | |
| Collected by Current Fund | 15,000.00 |
| Balance - December 31, 2013 | $ 160,000.00 |

Exhibit - C- 6

## SCHEDULE OF INTERFUND LOANS

| | BALANCE DEC. 31, 2012 | INCREASE | DECREASE | BALANCE DEC. 31, 2013 |
|---|---|---|---|---|
| Current Fund | $ (808.70) | $ 1,240.38 | $ 65,000.00 | $ 62,950.92 |
| Grant Fund | 45,000.00 | | | 45,000.00 |
| Open Space Fund | (71,450.00) | | | (71,450.00) |
| Trust Other Fund | (1,062,767.00) | | | (1,062,767.00) |
| | $ (1,090,025.70) | $ 1,240.38 | $ 65,000.00 | $ (1,026,266.08) |
| Interfunds Receivable | 45,000.00 | | | 107,950.92 |
| Interfunds Payable | (1,135,025.70) | | | (1,134,217.00) |
| | $ (1,090,025.70) | | | $ (1,026,266.08) |

Exhibit C-7

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORD. NO. | IMPROVEMENT DESCRIPTION | ORDINANCE DATE | ORDINANCE AMOUNT | BALANCE DEC. 31, 2012 FUNDED | BALANCE DEC. 31, 2012 UNFUNDED | 2013 AUTHORIZED | PAID OR CHARGED | BALANCE DEC. 31, 2013 FUNDED |
|---|---|---|---|---|---|---|---|---|
| 2003-05 | Acquis. Of Real Property-Athletic Fields, Parks & Open Space | 4/17/03 | 1,800,000.00 | 35,145.30 | | | | 35,145.30 |
| 2010-13 | School Sidewalk | 8/19/10 | 35,000.00 | 1,016.82 | | | 751.28 | 265.54 |
| 2010-19 | Playground Equipment | 8/16/12 | 12,000.00 | 7,625.00 | | | 1,392.35 | 6,232.65 |
| 2010-20 | Fire House Bays | 9/20/12 | 12,000.00 | 3,000.00 | | | | 3,000.00 |
| 2011-14 | Road Improvement | 9/16/13 | 220,000.00 | | | 220,000.00 | 580.00 | 219,420.00 |
| | | | | 46,787.12 | | 220,000.00 | 2,723.63 | 264,063.49 |

| | |
|---|---|
| Capital Improvement Fund | 60,000.00 |
| Grant Receivable | 160,000.00 |
| | 220,000.00 |

SCHEDULE OF GENERAL BONDS

Exhibit - C-8

| ISSUE | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2011 DATE | AMOUNT | INTEREST RATE | BALANCE DEC. 31, 2012 | DECREASE | BALANCE DEC. 31, 2013 |
|---|---|---|---|---|---|---|---|---|
| General Improvement Bonds | 7/19/11 | 865,000.00 | 7/15/14 | 50,000.00 | 2.000% | $825,000.00 | $45,000.00 | $780,000.00 |
| | | | 7/15/15 | 55,000.00 | 2.000% | | | |
| | | | 7/15/16 | 60,000.00 | 2.000% | | | |
| | | | 7/15/17 | 65,000.00 | 2.125% | | | |
| | | | 7/15/18 | 70,000.00 | 2.500% | | | |
| | | | 7/15/19 | 80,000.00 | 3.000% | | | |
| | | | 7/15/20 | 80,000.00 | 3.000% | | | |
| | | | 7/15/21 | 80,000.00 | 3.125% | | | |
| | | | 7/15/27 | 80,000.00 | 4.000% | | | |
| | | | 7/15/28 | 80,000.00 | 4.000% | | | |
| | | | 7/15/29 | 80,000.00 | 4.000% | | | |
| General Improvement Term Bonds | 7/19/11 | 400,000.00 | 7/15/26 | 400,000.00 | 4.000% | $400,000.00 | | $400,000.00 |
| | | | Mandatory Sinking Fund Redemption | | | | | |
| | | | 7/15/22 | 80,000.00 | | | | |
| | | | 7/15/23 | 80,000.00 | | | | |
| | | | 7/15/24 | 80,000.00 | | | | |
| | | | 7/15/25 | 80,000.00 | | | | |
| | | | 7/15/26 | 80,000.00 | | | | |
| | | | | | | $1,225,000.00 | $45,000.00 | $1,180,000.00 |

Exhibit - C- 9

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | | |
|---|---|---|
| Balance - December 31, 2012 | $ | 63,099.00 |
| Increased by: | | |
| 2013 Budget Appropriation | | 50,000.00 |
| | | 113,099.00 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | | 60,000.00 |
| Balance - December 31, 2013 | $ | 53,099.00 |

Exhibit C-10

## SCHEDULE OF RESERVE FOR RECREATION IMPROVEMENTS

| | | |
|---|---|---|
| Balance - December 31, 2012 | $ | 5,283.00 |
| Balance - December 31, 2013 | $ | 5,283.00 |

## Sewer Utility Fund

SCHEDULE OF SEWER UTILITY CASH RECEIPTS AND DISBURSEMENTS
TREASURER

| | OPERATING FUND | | CAPITAL FUND | |
|---|---|---|---|---|
| Balance - December 31, 2012 | | $ 1,515,708.52 | | $ 309,559.29 |
| Increased by Receipts: | | | | |
| Interfund Loans | 10,933.25 | | 309.70 | |
| Miscellaneous Revenue not Anticipated | 52,908.31 | | | |
| Consumer Accounts Receivable | 608,771.25 | | | |
| | | 672,612.81 | | 309.70 |
| | | 2,188,321.33 | | 309,868.99 |
| Decreased by Disbursements: | | | | |
| Deposits in Transit Cancelled | 24,691.86 | | | |
| Budget Appropriations | 462,516.20 | | | |
| Interfund Loans | 1,866.43 | | | |
| Prior Year Sewer Rent Refunds | 8,493.04 | | | |
| Appropriation Reserves | 15,505.53 | | | |
| | | 513,073.06 | | 0.00 |
| Balance - December 31, 2011 | | $ 1,675,248.27 | | $ 309,868.99 |

Exhibit - D-5

SCHEDULE OF INTERFUND LOANS
SEWER UTILITY OPERATING FUND

| | CURRENT FUND | SEWER CAPITAL |
|---|---|---|
| Balance - December 31, 2012 Due from or (to) | $ (50,703.47) | $ (55,440.71) |
| Increased by: | | |
| Unrecorded Prior Year Interfund | 35,237.45 | |
| Cash Receipts | 10,933.25 | |
| | (96,874.17) | (55,440.71) |
| Decreased by: | | |
| Cash Disbursements | 1,866.43 | |
| Interest Earned on Capital Funds | | 309.70 |
| Balance - December 31, 2013 Due from or (to) | $ (95,007.74) | $ (55,131.01) |

Exhibit D-6

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
SEWER UTILITY OPERATING FUND

| | | |
|---|---|---|
| Balance - December 31, 2012 | | $ 286,335.01 |
| Increased by: | | |
| 2013 Billings for Sewer Rents | | 611,965.18 |
| | | 898,300.19 |
| Decreased by: | | |
| Collections | $ 608,771.25 | |
| Cancelled | 4,707.22 | |
| | | 613,478.47 |
| Balance - December 31, 2013 | | $ 284,821.72 |

Exhibit - D-7

SCHEDULE OF 2012 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

| | BALANCE DEC. 31,2012 | RESERVE FOR ENCUMBRANCES | PAID OR CHARGED | BALANCE LAPSED |
|---|---|---|---|---|
| Operating: | | | | |
| Salaries and Wages | $ - | | | $ - |
| Other Expenses | 66,199.47 | $ 12,880.59 | $ 15,505.53 | 63,574.53 |
| Contractual-Town of Phillipsburg | 16,219.47 | | | 16,219.47 |
| | $ 82,418.94 | $ 12,880.59 | $ 15,505.53 | $ 79,794.00 |

Exhibit - D-8

SCHEDULE OF RESERVE FOR ENCUMBRANCES
SEWER UTILITY OPERATING FUND

| | |
|---|---|
| Balance - December 31, 2012 | $ 12,880.59 |
| Increased by: | |
| Charges to 2013 Budget Appropriations | 16,584.78 |
| | 29,465.37 |
| Decreased by: | |
| Transfer to 2012 Appropriation Reserves | 12,880.59 |
| Balance - December 31, 2013 | $ 16,584.78 |

Exhibit - D-9

SCHEDULE OF INTERFUND LOANS
SEWER UTILITY CAPITAL FUND

| | |
|---|---|
| Balance - December 31, 2012 | |
| Due from Operating Fund | $ 55,440.71 |
| Decreased by: | |
| Interest Due to Operating Fund | 309.70 |
| Balance - December 31, 2013 | $ 55,131.01 |

Exhibit - D-10

SCHEDULE OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND

| | |
|---|---|
| Balance - December 31, 2012 | $ 365,000.00 |
| Balance - December 31, 2013 | $ 365,000.00 |

Note: At December 31, 2013, an unexpended appropriation capital improvement fund appropriation balance remained reserved in the Operating Fund.

# TOWNSHIP OF GREENWICH

# WARREN COUNTY, NEW JERSEY

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## PART III

## SUPPLEMENTARY DATA

TOWNSHIP OF GREENWICH
WARREN COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2013

| ASSETS | CURRENT FUND | TRUST FUND | GENERAL CAPITAL FUND | SEWER OPERATING FUND | SEWER CAPITAL FUND | MEMORANDUM ONLY TOTALS BALANCE DEC. 31,2013 | MEMORANDUM ONLY TOTALS BALANCE DEC. 31,2012 |
|---|---|---|---|---|---|---|---|
| Cash and Investments | $ 4,449,053.02 | 859,461.98 | 1,239,990.14 | 1,675,248.27 | 309,868.99 | $ 8,533,622.40 | $ 8,307,832.80 |
| Accounts Receivable: | | | | | | | |
| State & Federal Grants Receivable | 195,426.16 | | 160,000.00 | | | 355,426.16 | 235,818.16 |
| Taxes, Assessments, Liens & Utility Charges | 361,067.53 | | | 284,821.72 | | 645,889.25 | 690,682.08 |
| Interfund Loans | 379,355.86 | 1,624,937.80 | 107,950.92 | | 55,131.01 | 2,167,375.59 | 1,613,947.73 |
| Other Accounts Receivable | 10,114.92 | | | | | 10,114.92 | 13,909.94 |
| Deferred Charges to Revenue of Succeeding Years | 38,011.35 | | | | | 38,011.35 | 110,412.72 |
| Deferred Charges to Future Taxation: | | | | | | | |
| General Capital Fund | | | 1,180,000.00 | | | 1,180,000.00 | 1,225,000.00 |
| | $ 5,433,028.84 | $ 2,484,399.78 | $ 2,687,941.06 | $ 1,960,069.99 | $ 365,000.00 | $ 12,930,439.67 | $ 12,197,603.43 |

| LIABILITIES, RESERVES AND FUND BALANCE | CURRENT FUND | TRUST FUND | GENERAL CAPITAL FUND | SEWER OPERATING FUND | SEWER CAPITAL FUND | MEMORANDUM ONLY TOTALS BALANCE DEC. 31,2013 | MEMORANDUM ONLY TOTALS BALANCE DEC. 31,2012 |
|---|---|---|---|---|---|---|---|
| Bonds, Notes and Loans Payable | $ | | 1,180,000.00 | | $ | 1,180,000.00 | $ 1,225,000.00 |
| Prepaid Taxes, Assessments, Utility Charges and Licenses | 86,809.79 | | | | | 86,809.79 | 93,457.07 |
| Appropriation Reserves | 460,773.99 | | | 150,433.02 | | 611,207.01 | 455,984.83 |
| Reserve for Encumbrances/ Accounts Payable | 78,109.17 | | | 16,584.78 | | 94,693.95 | 54,488.02 |
| Other Liabilities | 77,185.75 | 1,926.42 | | | | 79,112.17 | 131,495.29 |
| Due County for Added Taxes | 4,010.08 | | | | | 4,010.08 | 2,169.50 |
| School Tax Payable | 2,161,262.50 | | | | | 2,161,262.50 | 2,421,643.98 |
| Amts. Pledged to Specific Purposes | 275,096.45 | 2,388,633.60 | 58,382.00 | | 365,000.00 | 3,087,112.05 | 2,929,121.10 |
| Improvement Authorizations | | | 264,063.29 | | | 264,063.29 | 46,786.92 |
| Interfund Loans | 789,180.08 | 93,839.76 | 1,134,217.00 | 150,138.75 | | 2,167,375.59 | 1,613,947.73 |
| Reserve for Certain Assets Acquired or Receivables & Inventories | 560,029.95 | | | 284,821.72 | | 844,851.67 | 756,285.40 |
| Fund Balance | 940,571.08 | | 51,278.77 | 1,358,091.72 | | 2,349,941.57 | 2,467,223.59 |
| | $ 5,433,028.84 | $ 2,484,399.78 | $ 2,687,941.06 | $ 1,960,069.99 | $ 365,000.00 | $ 12,930,439.67 | $ 12,197,603.43 |

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

| Revenue and Other Income Realized | Year 2013 Amount | % | Year 2012 Amount | % |
|---|---|---|---|---|
| Fund Balance Utilized | $484,107.44 | 2.69 | $444,000.00 | 2.47 |
| Miscellaneous - From Other Than Local Property Tax Levies | 1,237,403.76 | 6.87 | 1,614,991.04 | 8.98 |
| Collection of Delinquent Taxes and Tax Title Liens | 367,311.01 | 2.04 | 295,902.86 | 1.64 |
| Collection of Current Tax Levy | 15,923,679.01 | 88.40 | 15,635,896.92 | 86.91 |
| Total Income | 18,012,501.22 | 100.00 | 17,990,790.82 | 100.00 |
| Expenditures | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | 3,960,610.19 | 22.37 | 3,635,895.78 | 21.34 |
| County Taxes | 4,980,554.02 | 28.13 | 4,879,150.26 | 28.64 |
| Local School Taxes | 8,397,041.00 | 47.43 | 8,247,804.00 | 48.41 |
| Open Space Taxes | 240,193.00 | 1.36 | 240,106.36 | 1.41 |
| Other Expenditures | 127,021.15 | 0.75 | 33,950.85 | 0.20 |
| Total Expenditures | 17,705,419.36 | 100.03 | 17,036,907.25 | 100.00 |
| Less: Expenditures to be Raised by Future Taxes | 21,388.80 | | | |
| Total Adjusted Expenditures | 17,684,030.56 | | 94,345,509.00 | |
| Excess in Revenue | 328,470.66 | | 953,883.57 | |
| Fund Balance January 1 | 1,096,207.86 | | 586,324.29 | |
| | 1,424,678.52 | | 1,540,207.86 | |
| Less: Utilization as Anticipated Revenue | 484,107.44 | | 444,000.00 | |
| Fund Balance December 31 | $940,571.08 | | $1,096,207.86 | |

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY OPERATING FUND

| Revenue and Other Income Realized | Year 2013 Amount | % | Year 2012 Amount | % |
|---|---|---|---|---|
| Fund Balance Utilized | $65,006.15 | 8.06 | $134,500.00 | 14.48 |
| Miscellaneous - From Other Than Sewer User Charges | 133,012.01 | 16.49 | 129,782.84 | 13.97 |
| Sewer User Charges | 608,771.25 | 75.46 | 664,671.43 | 71.55 |
| Total Income | 806,789.41 | 100.00 | 928,954.27 | 100.00 |
| Expenditures | | | | |
| Budget Expenditures: | | | | |
| Operating | 529,534.00 | 75.28 | 539,972.15 | 90.00 |
| Capital | 100,000.00 | 14.22 | 60,000.00 | 10.00 |
| Deferred Charges | 5,472.15 | 0.78 | | |
| Other Expenditures | 68,422.35 | 9.73 | 0.00 | 0.00 |
| Total Expenditures | 703,428.50 | 101.81 | 599,972.15 | 100.00 |
| Less: Expenditures to be Raised by Future User Charges | | | 5,472.15 | |
| Total Adjusted Expenditures | 703,428.50 | | 594,500.00 | |
| Excess in Revenue | 103,360.91 | | 334,454.27 | |
| Fund Balance January 1 | 1,319,736.96 | | 1,119,782.69 | |
| | 1,423,097.87 | | 1,454,236.96 | |
| Less: Utilization as Anticipated Revenue | 65,006.15 | | 134,500.00 | |
| Fund Balance December 31 | $1,358,091.72 | | $1,319,736.96 | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Tax Rate: | $2.716 | $2.673 | $2.637 |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.439 | 0.439 | 0.438 |
| Municipal Open Space | 0.040 | 0.040 | 0.040 |
| County (Inc. Library & Open Space Taxes) | 0.834 | 0.816 | 0.811 |
| Local School | 1.403 | 1.378 | 1.348 |
| Assessed Valuation: | | | |
| 2013 | $598,326,090 | | |
| 2012 | | $598,480,557 | |
| 2011 | | | $600,481,786 |

Note: Under the provisions of Chapter 73, L. 1976 (R.S. 54:4-46.1), the Hunterdon County Board of Taxation estimated the amount of approved Veterans' and Senior Citizens' tax deductions, etc. to be $34,750 for the year 2013.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

| | | CURRENTLY | |
|---|---|---|---|
| Year | Tax Levy | Cash Collections | Percentage of Collection |
| 2013 | $ 16,263,618.47 | $ 15,923,679.01 | 97.91% |
| 2012 | 16,009,624.54 | 15,635,896.92 | 97.67% |
| 2011 | 15,844,423.22 | 15,533,817.53 | 98.04% |
| 2010 | 15,488,435.69 | 15,183,804.49 | 98.03% |
| 2009 | 15,198,478.98 | 14,914,193.49 | 98.13% |

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last four years.

| Dec. 31 Year | Amount of Tax Title Liens | Amount of Delinquent Taxes | Total Delinquent | Percentage of Tax Levy |
|---|---|---|---|---|
| 2013 | $37,036.06 | $324,031.47 | $361,067.53 | 2.22% |
| 2012 | 37,036.06 | 367,311.01 | 404,347.07 | 2.53% |
| 2011 | 29,859.06 | 305,795.15 | 335,654.21 | 2.12% |
| 2010 | 23,598.82 | 304,286.59 | 327,885.41 | 2.12% |
| 2009 | 22,234.47 | 303,597.25 | 325,831.72 | 2.14% |

COMPARATIVE SCHEDULE OF FUND BALANCE

| | Year | Balance December 31 | Utilized in Budget of Succeeding Year |
|---|---|---|---|
| Current Fund | 2013 | $943,884.19 | $478,340.15 |
| | 2012 | 1,096,207.86 | 484,107.44 |
| | 2011 | 586,324.29 | 444,000.00 |
| | 2010 | 828,156.56 | 575,000.00 |
| | 2009 | 880,686.81 | 578,000.00 |
| Sewer Operating Fund | 2013 | $1,358,091.72 | $64,420.00 |
| | 2012 | 1,319,736.96 | 65,006.15 |
| | 2011 | 1,119,782.69 | 134,500.00 |
| | 2010 | 955,307.19 | 55,200.00 |
| | 2009 | 1,021,881.79 | 55,200.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2013:

| NAME | TITLE | AMOUNT OF BOND |
|---|---|---|
| Dan Perez | Mayor | |
| Angelo Faillace | Deputy Mayor | |
| Thomas Collari | Committeeperson | |
| Tanya Segal | Committeeperson | |
| Joseph Tairiello | Committeeperson | |
| Brent Carney | Township Attorney | |
| Kimberly Viscomi | Twp. Administrator/Clerk | |
| Lorraine Rossetti | Chief Financial Officer | $ 1,000,000.00 |
| Gordon M. Kobler | Tax Collector | 1,000,000.00 |
| Eloise Hagman | Assessor | |
| Michael Finelli | Engineer | |
| Joseph Novak | Magistrate | |
| Roger Skoog | Municipal Prosecutor | |
| Gregory Gianforcano | Public Defender | |

# TOWNSHIP OF GREENWICH

# WARREN COUNTY, NEW JERSEY

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# PART IV

# GENERAL COMMENTS AND RECOMMENDATIONS

**TOWNSHIP OF GREENWICH**
**COUNTY OF WARREN, NEW JERSEY**
**YEAR ENDED DECEMBER 31, 2013**

## GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of Greenwich, County of Warren, New Jersey, for the year ended December 31, 2013, has been completed. The General Comments are herewith set forth:

### Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Greenwich, County of Warren, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

### INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Township of Greenwich, County of Warren, New Jersey as of and for the transition year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency 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 misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd.)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The following control deficiencies were considered to be material weaknesses in internal control over financial reporting:

2013-1 Maintenance of Tax Office Records

Detailed accounting records, in the form prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, relating to the billing and collection of property taxes, were not maintained during the period under audit. A reconciliation of the amounts billed to the certified tax levy was not performed. Periodic (daily, monthly and annual) proofs of tax accounting system cash postings to bank deposits were often incomplete or were found to contain errors. Furthermore, the tax accounting system was not being utilized as designed, as system adjustments, which are typically segregated into a variety of categories to reflect corrected bills, billing adjustments for state reimbursed deductions, the effects of tax appeals, transfers to lien status, overpayment refunds, and cash posting adjustments to reflect bank rejected payments, and corrections to cash related input errors including property identification, amount or tax year, were all comingled. Monthly reports of tax related transactions were not prepared and transmitted to the Chief Financial Officer. The tax office maintained record of balances for tax liens held in the Township's name for nonpayment of property taxes did not agree with the audited financial statements of the prior period. These conditions resulted in numerous identified errors and omissions in the financial records maintained by the Chief Financial Officer, and the material weakness in internal control over financial reporting relating to the sufficiency of the accounting records maintained by the tax office and the lack of training and oversight of the tax office personnel have created a reasonable probability that a material misstatement of the financial statements, whether due to error or fraud, would not be prevented, or detected and corrected on a timely basis. The significance of this matter was such that the audit failed to obtain sufficient appropriate audit evidence to form an opinion on the basic financial statements, and no opinion was expressed.

2013-2 General Ledger Maintenance

The Township's general ledger records for its various funds were found to contain numerous errors and omissions for 2013 that would preclude the reporting of the Township's financial position in accordance with the other comprehensive basis of accounting required by the State of New Jersey. Audit adjustments in amounts that are material to the financial statements were proposed and approved by management based upon the results of our engagement.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd.)

2013-3 Cash Reconciliations

December 31, 2013 cash reconciliations for the Current and Sewer Operating Funds included deposits in transit that were not identified by date and deposit amounts, and deposits in transit remained as reconciling items for periods exceeding six months. Cash balance adjustments to eliminate deposits in transit remaining uncleared from the prior year-end and unidentified amounts over 90 days old from the current period were proposed and accepted by management.

2013-4 Encumbrance Accounting

The Township has not availed itself of the capabilities of the accounting system relating to the timely encumbrance of funds for proposed purchases. In most instances, purchase orders are not issued until goods and services have been received and payments are being processed. This condition exposes the Township to the risk of overexpenditure of its appropriations and also of unauthorized purchases.

The following control deficiencies were considered to be significant deficiencies in internal control over financial reporting:

2013- 5 Cash Receipts and Disbursements Journals

The cash receipts and disbursements journals were found to be incomplete, with numerous omitted or erroneous entries noted. These errors and omissions related directly to tracking of collections of tax and sewer payments made by credit card, and were exacerbated by the deficiencies in the records maintained by the tax office. It does not appear that the Township is keeping a formal chronological record of amounts received and deposited for its Current Fund. Instead, the general ledger will show a single entry allocating the total receipts for the month.

2013-6 Sufficiency of Official Minutes Records

The official minutes did not include attachments (budget documents, contracts, bid authorizations and contract awards, collective bargaining agreements, etc. specifying the vendors, amounts and other matters approved by Township Committee.

The following control deficiencies are not considered to be significant deficiencies nor material weaknesses. In addition, these control deficiencies are not required to be reported in writing, however, control deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

2013-7 Segregation of Duties

Conditions exist whereby the same person may collect, record (if a record is maintained) and deposit cash receipts in the following offices - Clerk, Police, Recreation, Municipal Court, Finance and Tax Office. We also noted that finance office staff will accept, post and deposit tax receipts.

INTERNAL CONTROL MATTERS (Cont'd.)

This condition is the result of multiple tasks performed by the same individual within the respective offices.

In addition, during our audit, we noted certain other matters involving the internal control and other operational matters that are presented for your consideration. These comments and recommendations do not affect our report dated October 3, 2013 on the financial statements of the Township of Greenwich. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies, follow.

OTHER MATTERS

Contracts and Agreements Required
to be Advertised Per 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 the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3, of this act, shall be made or awarded only after public advertising for bids and bidding therefor, 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 $17,500.00 except by contract or agreement."

On June 9, 2010, the Local Public Contracts Law was amended, effective on January 1, 2011. The amendments address the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from $21,000.00 to $26,000.00 under which a contract may be awarded without public advertising. Furthermore, if the Township's Purchasing Agent is "Qualified" the Committee may increase the bid threshold from $29,000.00 to $36,000.00. On May 5, 2011, a revised Local Finance Notice was issued which reduced the threshold for Non-QPA municipalities from $26,000.00 to $17,500.00. During 2013, the bid threshold for Greenwich Township was $17,500.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the limits described above within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

A test of the Township's purchasing procedures indicates bids were requested by public advertising for the following items as disclosed in the official minutes:

Concrete Sealing and Repairs

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 revealed that no individual payments, contracts or agreements in excess $17,500.00 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement.

GENERAL COMMENTS

Other Matters (Cont'd.)

Contracts and Agreements Required
to be Advertised Per N.J.S.A. 40A:11-4 (Cont'd.)

Our examination identified six vendors for which payments were made in excess of $17,500 during 2013 and for which no evidence of public bidding was provided. In several instances, purchases were made utilizing pricing from State Contracts. However, no audit evidence was provided that indicated that the vendors and purchases had been approved by the governing body.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5. No evidence of advertisement of these awards as required by N.J.S.A. 40A:11-5(a), or the inclusion of not-to-exceed amounts, was provided.

Any interpretations as to possible violation of N.J.S.A. 40A:11-4 and N.J.A.C. 5:30-14 would be in the province of the municipal solicitor.

Compliance with P.L. 2005, c.271

An anomaly exists in the "Pay-to-Play" statutes when they are matched with the LPCL requirements to determine compliance requirements. The threshold for Pay-to-Play is set at $17,500, with no escalator provision. At the time c.271 was enacted, the bid threshold per the LPCL was also set at $17,500. However, effective July 1, 2005, the bid threshold was increased to $21,000. This created a gap for compliance, as under c. 271, a contract not awarded using a fair & open process and exceeding $17,500 triggers the filing of additional documentation relating to ownership of the contracting entity and disclosure of political contributions. Since "Pay-to-Play" laws cover all contracts (not just professional services as some believe) any contract (or aggregation of purchases of similar goods or services) that does not meet "fair and open" standards requires the Township to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006. The incongruity of the existing "Pay-to-Play" laws and the Local Public Contracts Law have effectively created a new set of compliance requirements which require a new set of internal controls to assure compliance. A non-compliance would require the issuance of purchase orders exceeding $17,500 during the fiscal period without a "fair and open" process, and without obtaining the requisite disclosures. It is important to note that the laws and regulations implementing "Pay-to-Play" focus on vendors rather than categories of goods and services. While this change may appear subtle, it greatly expands the monitoring required to assure continuing compliance.

The Township Clerk was unable to locate the files containing evidence of compliance with the Pay-to-Play statutes for 2013 for professional service contracts. However, no evidence of compliance with the pay-to-play laws was made available to us for the six vendors with payments in excess of $17,500 foe which public contracts law compliance is also uncertain.

Collection of Interest on Delinquent Taxes and Assessments

The statute 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, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

GENERAL COMMENTS

Other Matters (Cont'd.)

Collection of Interest on Delinquent Taxes and Assessments (Cont'd.)

BE IT RESOLVED by the Mayor and Committee of the Township of Greenwich, that in accordance with the provisions of N.J.S.A. 54:4-67, the Tax Collector of the Township of Greenwich be, and she is hereby authorized and directed to charge interest on delinquent taxes or assessments at the rate of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any amount in excess of $1,500.00 provided, however, that no interest be charged if payment of any installment is made within ten days after the time within the same became payable.

Delinquent Taxes and Tax Title Liens

Tax office records indicted no delinquent balances subject to sale in 2013.

The following comparison is made of the number of tax title liens receivable for the last three years:

| Year | Number of Liens |
|---|---|
| 2013 | Unknown |
| 2012 | 3 |
| 2011 | 2 |

A system generated record of open liens showed six open liens. A separate record, which was used for the mailing of confirmation notices, showed three open liens. However, the largest item on this list, which comprises 90% of the lien balance reported on the balance sheet, was not on the system generated list. During 2013, no amounts of 2012 or 2013 property taxes were transferred to lien status for any of the existing liens.

Interfund Balances

Interfund balances appear on the various balance sheets of the Township's financial statements at December 31, 2013.

These interfunds, in some cases, resulted from 2013 operations. In other instances, the balances have remained unchanged from the prior period. In some instances, the existence of interfund loans has caused interest income to be redirected from Trust Funds to the Current Fund. Interfund balances should be cleared by cash transfer where feasible.

Investments

The Treasurer has the idle funds of the Township invested in interest-bearing accounts for the year under review. Earnings from the investments and deposits are shown in the various funds of the Township as of December 31, 2013.

The Township did adopt a formal cash management plan policy in compliance with N.J.S.A. 40A:5-14 of the Local Fiscal Affairs Law, which requires that "each local unit shall adopt a cash management plan and shall deposit its funds pursuant to that plan". All depositories and accounts were approved, and no investments in certificates of deposit or repurchase agreements were made during the year. All cash and investments held by the Township were directly confirmed as of December 31, 2013.

GENERAL COMMENTS

Other Matters (Cont'd.)

Payment of Claims

Claims were examined on a test basis for the year under review. Supporting documentation was on file as part of voucher packages for items tested.

Approval of Claims

During 2013, the Township Committee approved bill lists with specific dollar vales of the bills approved. This practice improves the internal controls over cash disbursements. Although the CFO maintains files of the approved bill lists, the minutes do not include the full listings and do not refer the reader to supplemental record where such lists are maintained. For audit purposes, the bill lists provided by the CFO were used to determine that all payments made had been presented to and approved by the Township Committee.

Purchase Order System

The Township's data processing systems provide a requisition and purchase order system for its expenditures in connection with its budgetary accounting encumbrance system. During the year under review, our tests indicated that the system is not being utilized as designed. Purchase orders were generally not entered into the system until after orders had been placed, goods or services provided, and vendor invoices received. The failure to properly document the authorization and approval process for contemplated purchases and the failure to identify and encumber available balances prior to the commitment of funds exposes the Township to the risk of unauthorized purchases and overexpenditures of appropriations.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account indicated that deposits were recorded and spread by receipt category and cash was reconciled monthly. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated that the analysis of outstanding bail was reconciled to the book balance.

The processing of traffic and criminal cases entered on the State's on-line computer system indicated no exceptions with respect to items tested.

Condition of Records - Other Officials Collecting Fees

Our reviews of the records maintained for other officials collecting fees, which were designed to determine that minimum levels of internal control and accountability were met, and that cash receipts were deposited or turned over to the Township's Treasurer's accounts within a 48 hour period as required by N.J.S.A. 40A:5-15, revealed the following exception:

The examination of the records maintained by the Planning Board, Zoning Board, Police Department, Fire Prevention Bureau and Clerk's Office indicated that no cashbook is maintained and monthly reports are not prepared. The absence of cash receipts records in these offices made it impossible for us to ascertain that amounts received were deposited within 48 hours as required by NJSA 40A:5-15.

GENERAL COMMENTS

Other Matters (Cont'd.)

Pension System and Health Benefits Roster Tests

As part of our audit procedures, we tested payrolls against health benefits vouchers and pension system reports to determine if all eligible employees were enrolled timely, and that persons no longer eligible for benefits were removed from the roster timely. Our audit tests indicated that the Township continued to pay health benefits for the first three months of 2013 for a former member of the Township Committee who had left office at the end of 2012. We noted that full payment was received as reimbursement for the three months premiums paid by the Township. No other exceptions were noted relating to timely pension enrollment and maintenance of the health benefits eligibility roster.

Further discussion suggest that the failure to remove the former Committee Person from the health benefits roster at the end of 2012 was an error of omission rather than an intentional act, as the bills included this person but were nevertheless approved by the Clerk/B.A., processed by the C.F.O. and reviewed and approved by the Mayor and Finance subcommittee prior to being placed on a bill list and approved for disbursement at an open public meeting.

The former committee person has indicated that COBRA benefits were applied for in December of 2012, but were not approved until April, 2013 after the correction was made to the eligible roster for Township paid benefits. As there was no break in benefits, and as the Township was fully reimbursed, there was no adverse impact from this oversight. However, timely enrollments and removals from eligibility rosters is crucial to assuring that the Township does not pay benefits for ineligible persons and that eligible employees are enrolled in the pension system at the time they become eligible.

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2013, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and the Tax/Utility Collector.

During July 1998 the Local Finance Board completed a readoption of the Board's general rules in the New Jersey Administrative Code. Based upon the new provision of N.J.A.C 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. The Township's coverages comply with the suggested coverages.

Condition of the Records – Tax Collector

The condition of the records maintained by the Tax Collector was reviewed. We noted the following:

A formal proof of tax system billings to the certified tax levy was not provided.

An itemized listing of tax sale premiums was not made available to us for audit.

GENERAL COMMENTS

Other Matters (Cont'd.)

Condition of the Records – Tax Collector (Cont'd.)

The tax accounting system was not being utilized as designed, as system adjustments, which are typically segregated into a variety of categories to reflect corrected bills, billing adjustments for state reimbursed deductions, the effects of tax appeals, transfers to lien status, overpayment refunds, and cash posting adjustments to reflect bank rejected payments, and corrections to cash related input errors including property identification, amount or tax year, were all comingled. Daily cash deposits could not be proved to system cash postings as any adjusting cash postings were not segregated for easy identification. We also noted that deposit amounts per the tax office cash report did not match actual bank deposits. It appeared that there were two causes for these differences. First, tax transaction batches appear to be group differently for deposit and cash report purposes. Second, credit card payments were grouped with cash deposits in many instances on the cash reports. This created numerous problems for the CFO in the monthly cash reconciliation process.

Communication of Tax Office financial data to the CFO was minimal, and did not include any reporting of non-cash activity or monthly ending balances. Cash activity reported to the CFO by the tax office did not agree with amounts posted to the property tax records. Prepaid Taxes and Tax Overpayments and Refunds per the Tax Office records did not agree with general ledger postings.

Condition of the Records – Finance Office

The financial records maintained by the Finance Department during the period were reviewed. We noted the following:

The Township maintained general ledger records for all funds in 2013. However, except for the Current Fund, adjusting entries to bring the beginning balances into proof with the audited financial statements were not made. Additionally, several standard journal entries were either omitted in 2013 or made for erroneous amounts or to the wrong accounts. Numerous audit adjustments the general ledger to record tax related transactions and correct errors and omissions were proposed and accepted by management as part of our engagement. Many of these adjustment were material in amount. The general ledger record as presented was suitable to serve as the basis for our audit.

Cash reconciliations were not performed timely throughout the year. However, all accounts were reconciled for December 31, 2013. We noted problems with the year-end reconciliations for the Current and Sewer Operating Funds. Specifically, deposits in transit were not identified by date and deposit amounts, and deposits in transit remained as reconciling items for periods exceeding six months. An adjustment to the cash balance in the Current Fund was made to eliminate deposits in transit remaining uncleared from the prior year-end, and for an unidentified deposit in transit recorded in October, 2013 with an offsetting unidentified posting to miscellaneous revenues not anticipated. Adjustments to the Sewer Operating Fund cash balance were made to eliminate unidentified deposits in transit over 90 days old at year-end. As mentioned above, our review of the reconciliation process indicates that the Township was having difficult tracking/collecting its credit card payments from its bank.

GENERAL COMMENTS

Other Matters (Cont'd.)

Condition of Records – Finance Office (Cont'd.)

A review of cash records through September of 2014 indicates that this problem has been substantially resolved.

It does not appear that the Township is keeping a formal chronological record of amounts received and deposited for its Current Fund. Instead, the general ledger will show a single entry allocating the total receipts for the month. This is inappropriate. Entries should be made in the cash receipts journal for each deposit made, and a chronological paper file of duplicate deposit slips should be maintained to support each entry into the system.

During 2013 a large amount of "unidentified cash receipts were recorded as miscellaneous revenues, and amounts of unidentified receipts appearing on the 12/31/12 balance sheet were moved via journal entry to miscellaneous revenues. To the extent we were unable to identify current year receipts, we adjusted revenues to carry these items as unidentified, pending the conduct of a review and identification process. Similarly all prior unidentified amounts were reversed from revenues. In the absence of a resolution of the Township Committee approving the cancellation of the liability for unidentified cash receipts, these items should not be adjusted in any way except through the identification process. In several instances, the amounts posted as unidentified deposits equaled or approximated the amounts being carried as unidentified deposits in transit. In those instances, adjusting entries eliminated the overstated cash balance and an equal amount of unidentified cash receipts.

During 2013, we noted that the Recreation Trust fund recorded $92,695.88 in deposits and $82,911.00 in disbursements. We were not provided any audit evidence to substantiate the completeness of the amounts deposited or the programs for which these moneys were collected. Either the Recreation Commission or the Finance Office must maintain a record of the amounts collected and the purposes for which the moneys were collected. If the Recreation Commission wishes to keep this record, a simple accounting software package would be sufficient. If the Finance Office is to take this responsibility, an expanded general ledger account system would allow for the tracking of fees collected and expenses paid by sport or program and could provide valuable information to the Recreation Commission as to the sufficiency of the existing fee structure.

Procurement Card Use

The Township has procurement cards in use. Our findings relating to this practice are as follows:

We noted no resolution adopted at the annual reorganization meeting or at any other time during the year by the Committee authorizing the use of "P-cards", and we are unaware of any ordinance establishing regulations for their use.

Local Finance Notice 2013-17 provides a summary of the 2013 regulations (NJAC 5:30-9A) governing the use of P-cards. The regulations focus on internal controls over who may use P-cards, what P-cards may be used for, establishing limits on P-card use, required reports from P-card issuers, etc.

Based upon the lack of audit evidence provided to us, we must assume that the Township is not incompliance with the new P-card regulations.

## GENERAL COMMENTS

### Other Matters (Cont'd.)

### Internal Control Documentation

Statement on Auditing Standards 115 sets forth requirements upon the auditee that includes the documentation of its internal controls. We suggest the Township initiate this process and also consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In addition, we suggest the documentation should also include the internal controls that exist over grant compliance. If possible, this documentation should be supplemented by a record of Township positions and job descriptions, along with descriptions of the tasks that each position is expected to perform and a procedures manual identifying the steps to be taken in performing each task.

### Budgetary Records

The Township maintains a detailed, computerized subsidiary ledger for each of its budgets. During 2013, an examination of the approved budget appropriations indicated that no budget accounts were overexpended/overcommitted during the period under review. However, the record of 2012 Appropriation Reserves was found to contain numerous errors. Investigation into this matter identified an unposted payroll from December, 2012 as the cause of the discrepancies. A February, 2013 entry was made into the accounting records to record this omitted transaction. However, as the Current Fund had the 2012 audit adjusting entries posted, this entry created an understatement of the cash balance in 2013 which required an additional audit adjustment.

### Animal Control Fund

The financial records of the Animal control fund were found to be in poor condition. No chronological record of licenses issued and cash received and deposited was maintained for 2013. Monthly reports of licenses issued and amounts due to the State were not located. Copies of licenses issued were available, but were not kept in chronological order. A year-end computerized report of licenses issued could not be reconciled to the record of deposits.

### Administration and Accounting of State & Federal Grants

During 2013, the Township operated programs, which were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, it is essential that grant coordinators review financial reports with the CFO before filing to assure that reported expenditures of grant funds match the official financial, records of the Township.

We suggest the Township review its system of internal controls and various policies and procedures as they apply to the compliance requirements for State and Federal grants. In addition, the grant receivable and appropriation schedules indicate a number of prior years' balances still outstanding. We suggest that the Township review and monitor grant receivable and appropriation balances in order to ensure timely collection and payment of balances.

GENERAL COMMENTS

Other Matters (Cont'd.)

Compliance with N.J.A.C 5:30:

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as "technical accounting directives", as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30 - 5.2 – Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. As previously indicated, the Township has the systems needed to comply with this directive but has not availed itself of the system's capabilities.

N.J.A.C. 5:30 - 5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. The Township has not established a Fixed Assets Accounting and Reporting System.

N.J.A.C. 5:30 - 5.7 – General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. As previously noted, the Township has the systems needed to comply with this directive, but the record was not maintained. This matter was deemed to be a reportable noncompliance in our Report on Internal Control Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed InAccordance With Government Auditing Standards. It is identified as item 2013-7 in that report.

Compliance with Local Finance Notices

Local Finance Notice (LFN) No. 92-15 requires that the Township prepare and file a corrective action plan in accordance with federal and state requirements. A written corrective action plan for 2010 was not located during our audit.

RECOMMENDATIONS

We recommend the following:

That resolutions awarding contracts based upon State Contract or Purchasing Cooperative pricing be presented to the Committee for approval prior to the commitment of funds when the annual estimated costs of the goods or services may exceed the bid threshold.

That professional service contract awards be publicly advertised and include not-to-exceed amounts.

That the record of tax title liens be brought current based upon verified filed certificates and unpaid subsequent taxes.

That interfund loans be cleared by cash transfer unless supported by a valid business purpose.

That a full listing of the claims presented to the Township Committee for payment approval be incorporated into the official minutes or that a reference be made in the minutes to any separate attachments files.

That the requisition and purchase order system be established to provide evidence that the appropriate authorization and approval procedures are followed for contemplated purchases.

That an encumbrance accounting system as required by N.J.A.C. 5:30 - 5.2 be implemented to insure the commitment of funds at the point that orders are placed.

That the tax office engage a Tax Collector with a familiarity with the tax accounting system and/or obtain training for its staff to assure proper utilization of systemic controls.

That monthly reports of all tax office activity be prepared and transmitted to the CFO to facilitate the proper maintenance of the general ledger record.

That a record of the amounts of tax sale premiums paid and returned, by property identification block & lot, be maintained to support the balance held in trust by the Township.

That general ledgers be maintained for each fund and that the general ledger records include a complete and accurate record of the Township's financial activity.

That the tax cash receipts journal be proved to computerized cash posting on a monthly basis.

That a complete cash receipts journals be maintained by the Finance Office and, at a minimum, reflect each individual deposit transaction and the allocation of the funds deposited.

That unallocated cash balances be reviewed to identify the components and purposes of each unposted deposit so that proper allocations of this balance can be made.

That all recorded deposits in transit be verified to the subsequent month's bank deposits or investigated to determine any necessary corrective entries or actions.

That a cash receipts journal supporting deposits to the Recreation Trust Fund be maintained.

That the use of any form of debit, credit, in-house or store credit cards to procure goods or services for the Township cease immediately.

That the use of procurement cards by the Township be done only with the formal approval of the Township Committee and in conformity with the regulations governing their use.

That the Township designate a specific person as responsible for the eligibility review of monthly health benefits billings and that any necessary corrections to benefits invoices are made prior to payment authorization.

That monthly repots of dog licenses issued be prepared and filed timely, and that the CFO reconcile amounts reported on these reports to amounts deposited into the Township's Animal Control account.

That a formal record of cash received be maintained by every office and official collecting fees, permits and other moneys from the public, and that such offices and officials prepare and file monthly reports with the CFO to determine that all moneys collected have been deposited timely and to the proper accounts.

That the Township establish a Fixed Asset Accounting System.

That a written corrective action plan be developed, approved by the Committee, submitted to the Division of Local Government services and implemented to correct identified deficiencies.

* * * * * * * * * *

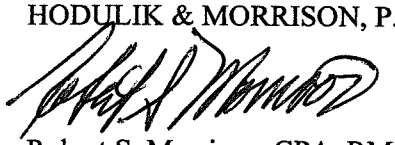
ACKNOWLEDGMENT

During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



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