

TOWNSHIP OF ELSINBORO

COUNTY OF SALEM

REPORT OF AUDIT

DECEMBER 31, 2016

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COUNTY OF SALEM
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COUNTY OF SALEM
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COUNTY OF SALEM
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TOWNSHIP OF ELSINBORO

COUNTY OF SALEM

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

FOR THE YEAR ENDED DECEMBER 31, 2016

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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April 27, 2017

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Elsinboro
County of Salem
Salem, New Jersey 08079

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance – regulatory basis of the various funds of the Township of Elsinboro, in the County of Salem, State of New Jersey, as of December 31, 2016 and 2015, 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 for the years then ended, and the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Elsinboro, in the County of Salem, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the various funds of the Township of Elsinboro, in the County of Salem, State of New Jersey as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues – regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance programs are presented for purposes of additional analysis as required by the State of New Jersey Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the financial statements.

The supplementary financial statements presented for the various funds and the schedule of expenditures of state financial assistance programs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other addition procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2017, on our consideration of the Township of Elsinboro's, in the County of Salem, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Elsinboro's internal control over financial reporting.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

Raymond Colavita, C.P.A.
Registered Municipal Accountant

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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April 27, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Elsinboro
County of Salem
Salem, New Jersey 08079

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Elsinboro, County of Salem, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 27, 2017. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Elsinboro's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Elsinboro's internal control over financial reporting (internal control) to determine our auditing procedures that are appropriate in the circumstances 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 Elsinboro's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Elsinboro's internal control.

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

A *significant deficiency* is a deficiency, or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any material deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Elsinboro's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one 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, labeled Finding 2016-1.

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

Raymond Colavita, C.P.A.
Registered Municipal Accountant

CURRENT FUNDCOMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>Balance December 2016</u>	<u>Balance December 2015</u>
ASSETS			
Regular Fund:			
Cash - Chief Financial Officer	A-4	\$ 1,150,542.38	\$ 1,059,178.53
Cash - Collector	A-5	-	1,218.27
		<u>1,150,542.38</u>	<u>1,060,396.80</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	47,613.00	44,863.22
Tax Title Liens Receivable	A-7	49,641.30	35,449.54
Property Acquired for Taxes - Assessed Valuation	A-9	131,400.00	131,400.00
Revenue Accounts Receivable	A-10	436.00	436.00
Interfunds Receivable	A-11	10,106.23	9,711.03
		<u>239,196.53</u>	<u>221,859.79</u>
		<u>1,389,738.91</u>	<u>1,282,256.59</u>
Federal and State Grant Fund:			
State Grants Receivable	A-17	4,504.82	3,737.83
Amount Due from Current Fund	A-11	13,061.42	11,972.09
		<u>17,566.24</u>	<u>15,709.92</u>
		<u>\$ 1,407,305.15</u>	<u>\$ 1,297,966.51</u>

CURRENT FUND**COMPARATIVE BALANCE SHEET**

		Balance December 2016	Balance December 2015
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
	<u>Ref.</u>		
Regular Fund			
Liabilities			
Appropriation Reserves	A-3,13	\$ 56,789.95	\$ 53,580.64
Encumbrances Payable	A-20	3,549.52	5,385.11
Due to State of New Jersey For Senior Citizen And Veterans Tax Exemptions	A-8	4,729.33	4,479.33
Reserve for Sale of Municipal Assets		2,000.00	2,000.00
Prepaid Taxes	A-5	34,934.11	31,299.13
Amount Due to Grant Fund	A-11	13,061.42	11,972.09
Amount Due to General Capital Fund	A-11	245,569.38	204,069.38
Amount Due to Trust Other Fund	A-11	8,683.20	8,819.17
Tax Overpayments	A-14	3,859.41	
Local District School Taxes Payable	A-15	443,904.68	419,043.68
Due to LAC Township	A-12	158.00	68.50
Miscellaneous Accounts Payable		1,800.00	1,800.00
Total Liabilities		819,039.00	742,517.03
Reserve for Receivables and Other Assets	A	239,196.53	221,859.79
Fund Balance	A-1	331,503.38	317,879.77
		1,389,738.91	1,282,256.59
Federal and State Grant Fund			
Encumbrance Payable	A-20		911.00
Reserve for State Grants - Appropriated	A-19	15,753.46	13,043.92
Reserve for State Grants - Unappropriated	A-18	1,812.78	1,755.00
		17,566.24	15,709.92
		\$ 1,407,305.15	\$ 1,297,966.51

CURRENT FUNDCOMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

	Ref.	Year 2016	Year 2015
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 210,000.00	\$ 190,000.00
Miscellaneous Revenue Anticipated	A-2	130,704.14	136,364.03
Receipts from Delinquent Taxes	A-2	42,829.38	54,369.66
Receipts from Current Taxes	A-2	2,979,466.76	2,838,803.31
Non-Budget Revenue	A-2	49,099.55	48,203.61
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-13	53,314.10	49,348.90
Statutory Excess in Animal Control Fund	A-11	392.00	1,183.80
Total Income		<u>3,465,805.93</u>	<u>3,318,273.31</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations			
Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	84,428.00	83,256.00
Other Expenses	A-3	455,165.00	428,640.00
Deferred Charges and Statutory Expenditures	A-3	14,052.75	13,374.60
Appropriations Excluded from "CAPS":			
Operations:			
Other Expenses	A-3	12,970.00	18,629.89
Capital Improvements	A-3	45,000.00	46,000.00
Local District School Taxes	A-15	1,485,885.00	1,436,100.00
County Taxes	A-16	1,141,170.05	1,065,069.41
County Taxes - Added	A-16	3,116.32	393.60
Interfund Advanced	A-11	395.20	1,138.05
Total Expenditures		<u>3,242,182.32</u>	<u>3,092,601.55</u>
Excess in Revenue		223,623.61	225,671.76
Fund Balance, January 1	A	317,879.77	282,208.01
		<u>541,503.38</u>	<u>507,879.77</u>
Decreased by			
Utilization of Anticipated Revenue	A-2	210,000.00	190,000.00
Fund Balance, December 31	A	<u>\$ 331,503.38</u>	<u>\$ 317,879.77</u>

CURRENT FUND
STATEMENT OF REVENUES

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 210,000.00	\$ 210,000.00	\$
Miscellaneous Revenues:				
Licenses - Alcoholic Beverage	A-10	1,104.00	1,104.00	
Energy Receipts Tax (P.L. 1987 Ch. 162 & 167)	A-10	110,797.00	110,797.00	
Supplemental Energy Receipts Tax	A-10	4,120.00	4,120.00	
Reserve for Garden State Preservation Trust Fund	A-10	4,609.00	4,609.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-17	3,819.14	3,819.14	
Clean Communities Program	A-17	4,000.00	4,000.00	
Jif Health and Wellness Incentive	A-17	500.00	500.00	
Reserve for Jif Safety Incentive Grant	A-18	1,755.00	1,755.00	
Total Miscellaneous Revenue	A-1	130,704.14	130,704.14	
Receipts from Delinquent Taxes	A-2(2)	33,110.00	42,829.38	9,719.38
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-2	423,856.77	535,350.55	111,493.78
Budget Totals	A-3	\$ 797,670.91	918,884.07	\$ 121,213.16
Non-budget Revenue	A-1		49,099.55	
			\$ 967,983.62	

CURRENT FUNDSTATEMENT OF REVENUES

<u>Analysis of Realized Revenues</u>	<u>Ref.</u>		
Allocation of Current Tax Collections			
Revenue from Collections	A-6,2	\$	2,979,466.76
Allocated to			
County and School Taxes	A-15,16		2,630,171.37
Balance for Support of Municipal Budget Appropriations			<u>349,295.39</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>186,055.16</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>535,350.55</u></u>
Receipts from Delinquent Taxes			
Delinquent Tax Collections	A-6,2	\$	42,829.38
Tax Title Lien Collections	A-7		-
	A-1,2		<u>42,829.38</u>
		\$	<u><u>42,829.38</u></u>
<u>Analysis of Non-Budget Revenue</u>			
Miscellaneous Revenue Not Anticipated:			
Revenue Accounts Receivable:			
Treasurer	A-10	\$	36,144.48
Tax Collector	A-10		12,934.87
Interest Earned - Interfunds	A-11		20.20
	A-1		<u>49,099.55</u>
		\$	<u><u>49,099.55</u></u>

CURRENT FUNDSTATEMENT OF EXPENDITURES

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS"</u>				
<u>GENERAL GOVERNMENT</u>				
General Administration:				
Other Expenses	\$ 3,500.00	\$ 6,102.00	\$ 4,797.32	\$ 1,304.68
Financial Administration:				
Salaries and Wages	10,645.00	10,645.00	10,635.00	10.00
Other Expenses	900.00	1,000.00	977.69	22.31
Township Clerk:				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Other Expenses	20,000.00	20,000.00	18,891.14	1,108.86
Mayor and Committee:				
Salaries and Wages	16,038.00	16,038.00	16,028.00	10.00
Other Expenses	4,500.00	4,500.00	3,281.91	1,218.09
Audit Services:				
Other Expenses	23,800.00	23,800.00	23,760.00	40.00
Assessment of Taxes:				
Salaries and Wages	11,440.00	11,440.00	11,429.00	11.00
Other Expenses				
Miscellaneous Other Expenses	1,500.00	1,500.00	967.36	532.64
Collection of Taxes:				
Salaries and Wages	20,355.00	20,355.00	19,987.24	367.76
Other Expenses	7,200.00	7,300.00	7,213.87	86.13
Liquidation of Tax Title Liens and Foreclosed Property				
Other Expenses	5,000.00	5,000.00	5,000.00	
Legal Services and Costs:				
Other Expenses	9,000.00	9,000.00	8,796.00	204.00
Engineering Services and Costs:				
Other Expenses	9,000.00	6,800.00	2,225.06	4,574.94
Liabilities and Worker's Compensation	19,500.00	19,500.00	18,425.00	1,075.00
Municipal Land Use Law (N.J.S.A. 40A:55D-1):				
Planning Board:				
Salaries and Wages	1,250.00	1,250.00	500.00	750.00
Other Expenses	6,000.00	6,000.00		6,000.00

CURRENT FUND**STATEMENT OF EXPENDITURES**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>				
<u>GENERAL GOVERNMENT (Continued)</u>				
Zoning Commission:				
Salaries and Wages	\$ 2,570.00	\$ 2,570.00	\$ 2,559.00	\$ 11.00
Other Expenses	50.00	50.00		50.00
Public Building and Grounds:				
Salaries and Wages	3,000.00	3,000.00	2,250.00	750.00
Other Expenses	28,500.00	28,500.00	27,302.65	1,197.35
<u>PUBLIC SAFETY</u>				
Fire:				
Aid to Volunteer Fire Company	39,780.00	39,780.00	39,780.00	
Police:				
Salaries and Wages	2,386.00	2,386.00	2,334.15	51.85
Other Expenses - Contractual	98,000.00	98,000.00	96,920.00	1,080.00
Emergency Management:				
Salaries and Wages	4,821.00	4,821.00	4,810.00	11.00
Other Expenses	200.00	200.00	103.41	96.59
<u>STREET AND ROADS</u>				
Road Repairs and Maintenance:				
Other Expenses	22,000.00	22,000.00	9,715.00	12,285.00
Street Lighting:				
Other Expenses	15,000.00	17,000.00	16,821.27	178.73
<u>SANITATION</u>				
Sanitary Landfill:				
Other Expenses	29,835.00	29,835.00	25,319.55	4,515.45
Solid Waste Collection:				
Other Expenses - Contractual	66,000.00	66,000.00	57,115.20	8,884.80
Recycling Program:				
Other Expenses	35,000.00	32,398.00	29,062.36	3,335.64

CURRENT FUNDSTATEMENT OF EXPENDITURES

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>				
<u>HEALTH AND WELFARE</u>				
Board of Health:				
Salaries and Wages	\$ 613.00	\$ 613.00	\$ 552.00	\$ 61.00
Other Expenses				
Mosquito Control:				
Other Expenses	50.00	50.00		50.00
Dog Regulation - Animal Control:				
Salaries and Wages				
Other Expenses	6,000.00	6,000.00	4,265.25	1,734.75
Senior Citizen Transportation:				
Other Expenses	50.00	50.00		50.00
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):				
State Uniform Construction Code				
Construction Code Official:				
Salaries and Wages	12,810.00	12,810.00	12,799.00	11.00
Other Expenses	1,800.00	1,800.00	1,468.00	332.00
Total Operations Within "CAPS"	\$ 539,593.00	\$ 539,593.00	\$ 486,091.43	\$ 53,501.57

CURRENT FUNDSTATEMENT OF EXPENDITURES

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>				
Detail:				
Salaries and Wages	\$ 84,428.00	\$ 84,428.00	\$ 81,633.39	\$ 2,794.61
Other Expenses (Incl. Contingent)	455,165.00	455,165.00	404,458.04	50,706.96
DEFERRED CHARGES AND STATUTORY EXPENDITURES - <u>MUNICIPAL WITHIN "CAPS"</u>				
Deferred Charges:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	6,332.00	6,332.00	6,332.00	
Social Security System (O.A.S.I.)	7,720.75	7,720.75	6,432.37	1,288.38
Total Deferred Charges and Statutory Expenditures - Municipal Within "Caps"	<u>14,052.75</u>	<u>14,052.75</u>	<u>12,764.37</u>	<u>1,288.38</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>\$ 553,645.75</u>	<u>\$ 553,645.75</u>	<u>\$ 498,855.80</u>	<u>\$ 54,789.95</u>

CURRENT FUND
STATEMENT OF EXPENDITURES

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>				
Declared State of Emergency Costs for Snow Removal - NJSA 40A:4-45.45(b) and NJSA 40A:4-45.3(bb)				
Other Expenses	\$	\$	\$	\$
Public and Private Programs Offset by Revenues:				
Local Matching Share for State and Local Grants	2,000.00	2,000.00		2,000.00
Clean Communities Grant - Contractual	4,000.00	4,000.00	4,000.00	
NJ Forest Service Community Forestry Program				
Drunk Driving Enforcement Fund				
New Jersey Smalls Grant Program				
Reserve for JIF Safety Incentive Grant	1,755.00	1,755.00	1,755.00	
NJ Health and Wellness Incentive	500.00	500.00	500.00	
Municipal Alliance for Drug Free N.J.	4,715.00	4,715.00	4,715.00	
Total Public and Private Programs Offset By Revenues	<u>12,970.00</u>	<u>12,970.00</u>	<u>10,970.00</u>	<u>2,000.00</u>
Total Operations Excluded from "CAPS":	<u>12,970.00</u>	<u>12,970.00</u>	<u>10,970.00</u>	<u>2,000.00</u>
Detail:				
Other Expenses	12,970.00	12,970.00	10,970.00	2,000.00
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>				
Capital Improvement Fund	45,000.00	45,000.00	45,000.00	
Total Capital Improvements - Excluded from "CAPS"	<u>45,000.00</u>	<u>45,000.00</u>	<u>45,000.00</u>	
Deferred Charges and Statutory Expenditures				
Deferred Charges:				
Special Emerg. Auth-5 years (NJS 40A:4-55)				
Total Deferred Charges	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CURRENT FUND

STATEMENT OF EXPENDITURES

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Total General Appropriations Excluded from "CAPS"	\$ 57,970.00	\$ 57,970.00	\$ 55,970.00	\$ 2,000.00
Subtotal General Appropriations	611,615.75	611,615.75	554,825.80	56,789.95
Reserve for Uncollected Taxes	186,055.16	186,055.16	186,055.16	
Total General Appropriations	<u>\$ 797,670.91</u>	<u>\$ 797,670.91</u>	<u>\$ 740,880.96</u>	<u>\$ 56,789.95</u>
		A-2	A-1	A:A-1

Ref.

Paid or Charged

Reserve for Uncollected Taxes	A-2(2)	\$ 186,055.16
Disbursed	A-4	495,306.28
Township Matching Share on Grants	A-11,19	895.86
Capital Improvement Fund	A-11	45,000.00
Federal and State Grants	A-19	10,074.14
Encumbrances Payable	A-20	3,549.52
		<u>\$ 740,880.96</u>

TRUST FUND
COMPARATIVE BALANCE SHEET

	Ref.	Balance December 31, 2016	Balance December 31, 2015
<u>ASSETS</u>			
Animal Control Fund			
Cash - Dog Registrar	B-1	\$ 3,314.70	\$ 2,669.50
Due from State of NJ - Seized Funds		5,979.29	5,979.29
		<u>9,293.99</u>	<u>8,648.79</u>
Trust Other Fund			
Cash	B-1	20,736.39	19,118.92
Amount Due from Current Fund	B-2	8,683.20	8,819.17
		<u>29,419.59</u>	<u>27,938.09</u>
		<u>\$ 38,713.58</u>	<u>\$ 36,586.88</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund			
Due to Current Fund	B-2	\$ 7,247.99	\$ 6,852.79
Reserve for Dog License Fund Expenditures	B-3	2,046.00	1,796.00
		<u>9,293.99</u>	<u>8,648.79</u>
Other Trust Funds			
Reserve for Unemployment Compensation			
Insurance Benefits	B-4	3,926.77	3,926.44
Reserve for Planning Board Escrow Deposits	B-6	8,057.51	8,176.48
Tax Title Lien Redemptions	B-7	2,000.00	2,000.00
Reserve for Tax Sale Premium Account	B-8	13,200.00	11,600.00
Reserve for Donations	B-9	2,235.31	2,235.17
		<u>29,419.59</u>	<u>27,938.09</u>
		<u>\$ 38,713.58</u>	<u>\$ 36,586.88</u>

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance December 31, 2016</u>	<u>Balance December 31, 2015</u>
Amount Due from Current Fund	C-4	\$ 245,569.38	\$ 204,069.38
		<u>\$ 245,569.38</u>	<u>\$ 204,069.38</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Fund Balance	C-1	\$ 7,843.25	\$ 7,843.25
Accounts Payable	C-2	675.00	675.00
Capital Improvement Fund	C-3	149,276.83	144,276.83
Improvement Authorizations - Funded	C-5	87,774.30	51,274.30
		<u>\$ 245,569.38</u>	<u>\$ 204,069.38</u>

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

	<u>Ref.</u>	
Balance, December 31, 2015 and 2016	C	\$ <u><u>7,843.25</u></u>

PAYROLL ACCOUNT
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>Balance December 31, 2016</u>	<u>Balance December 31, 2015</u>
<u>ASSETS</u>			
Cash	E-1	\$ <u>12,292.98</u>	\$ <u>11,254.04</u>
<u>LIABILITIES</u>			
Amount Due To Current Fund	E-1	2,858.24	2,858.24
Payroll Deductions Payable	E-1	<u>9,434.74</u>	<u>8,395.80</u>
		\$ <u>12,292.98</u>	\$ <u>11,254.04</u>

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**DECEMBER 31, 2016 AND 2015**

	<u>Balance December 31, 2016</u>	<u>Balance December 31, 2015</u>
<u>General Fixed Assets:</u>		
Land	\$ 10,000.00	\$ 10,000.00
Building	148,826.76	148,826.76
Furnishings and Equipment	41,059.62	41,059.62
Total General Fixed Assets	\$ <u>199,886.38</u>	\$ <u>199,886.38</u>
Investments in General Fixed Assets	\$ <u>199,886.38</u>	\$ <u>199,886.38</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

1. **Summary of Significant Accounting Policies**

A. Reporting Entity

Except as noted below, the financial statements of the Township of Elsinboro include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Elsinboro, as required by **N.J.S.A.** 40A:5-5.

The Township has a 3 member committee form of government, as defined by revised statutes 40:142-1 as appealed by New Jersey Statutes Annotated 40A:63-1. The Mayor is separately appointed each year by the existing elected committee members.

The financial statements do not contain any component units of the Township of Elsinboro, as defined by Governmental Accounting Standard Board State No. 14, since none exist at December 31, 2016.

B. Description of Funds

The accounting policies of the Township of Elsinboro 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 accounts for its financial transactions through the following separate funds, which differs from the funds required by generally accepted accounting principles:

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

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. The activities of the public assistance office were transferred to Salem County in early 1999.