

**REPORT OF AUDIT**  
**TOWNSHIP OF GREEN**  
**COUNTY OF SUSSEX**  
**DECEMBER 31, 2017**

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**TOWNSHIP OF GREEN**

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**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2017**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Township Committee  
Township of Green  
Tranquility, New Jersey 07879

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Green in the County of Sussex, as of December 31, 2017 and 2016, the related statement 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, 2017, 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 basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 of Green on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements 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 each fund of the Township of Green as of December 31, 2017 and 2016, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

As described in Note 17 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$296,984.38 and \$255,041.17 for 2017 and 2016, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in “Basis for Qualified Opinion on Regulatory Basis Accounting Principles” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets as of December 31, 2017 and 2016, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Green’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject 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 it.



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

In accordance with *Government Auditing Standards* we have also issued our report, dated May 29, 2018, on our consideration of the Township of Green'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 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 Green's internal control over financial reporting and compliance.



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkottz, Cerullo & Cuva, PA*  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
*Certified Public Accountants*

Newton, New Jersey

May 29, 2018

## Township of Green, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

<u>Asset</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Current Fund:			
Cash	A-4	2,959,738.02	2,297,848.26
Change Fund	A-5	300.00	300.00
		<u>2,960,038.02</u>	<u>2,298,148.26</u>
Due From State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10	8,046.78	7,877.60
		<u>2,968,084.80</u>	<u>2,306,025.86</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	160,930.09	126,224.62
Tax Title Liens Receivable	A-7	998.12	669.31
Property Acquired for Taxes - Assessed Valuation	A-8	265,600.00	331,600.00
		<u>427,528.21</u>	<u>458,493.93</u>
Deferred Charges:			
Special Emergency	A-12	14,980.75	28,472.99
		<u>3,410,593.76</u>	<u>2,792,992.78</u>
Federal and State Grant Fund:			
Interfund Receivable			
Current Fund	A-20	53,975.93	53,785.40
		<u>3,464,569.69</u>	<u>2,846,778.18</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Green, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves			
Unencumbered	A-3;A-13	261,983.72	451,068.67
Encumbered	A-3;A-13	210,409.14	187,037.10
Interfunds Payable:			
Federal and State Grant Fund	A-11	53,975.93	53,785.40
Due to State of New Jersey:			
Marriage Surcharge	A-14	50.00	125.00
Tax Overpayments	A-14	1,367.69	1,284.35
Reserve for:			
Tax Appeals	A-14	75,000.00	75,000.00
Sale of Municipal Assets	A-14	33,588.71	33,588.71
Accounts Payable	A-15		455.00
Prepaid Taxes	A-16	914,034.96	81,968.64
County Taxes Payable	A-17		8,019.39
		<u>1,550,410.15</u>	<u>892,332.26</u>
Reserve for Receivables	Contra	427,528.21	458,493.93
Fund Balance	A-1	<u>1,432,655.40</u>	<u>1,442,166.59</u>
		<u>3,410,593.76</u>	<u>2,792,992.78</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-21	21,812.20	1,146.80
Appropriated Reserve for Grants	A-23	12,648.63	31,380.34
Unappropriated Reserve for Grants	A-24	19,515.10	21,258.26
		<u>53,975.93</u>	<u>53,785.40</u>
		<u>3,464,569.69</u>	<u>2,846,778.18</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Green, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Current Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	590,000.00	515,000.00
Miscellaneous Revenue Anticipated	A-2	365,567.92	379,084.05
Receipts from Delinquent Taxes	A-2	126,474.62	180,373.88
Receipts from Current Taxes	A-2	14,918,673.05	14,431,108.94
Non-Budget Revenue	A-2	37,060.66	30,614.59
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	441,782.64	463,236.68
Accounts Payable Cancelled	A-15	343.00	239.15
Total Revenues and Other Income		<u>16,479,901.89</u>	<u>15,999,657.29</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within "CAPS"			
Salaries and Wages	A-3	741,484.00	741,380.00
Other Expenses	A-3	1,672,711.00	1,710,156.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within "CAPS"	A-3	151,049.00	170,016.00
Operations - Excluded From CAPS:			
Other Expenses	A-3	98,995.56	94,751.89
Capital Improvements - Excluded from Caps	A-3	347,000.00	240,000.00
Municipal Debt Service - Excluded from Caps	A-3	294,135.67	301,354.44
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from Caps	A-3	63,492.24	90,000.00
Prior Year Refund of Revenue			200.00
Prior Year Expenditure	A-15	2,530.00	
County Taxes including Added Taxes	A-17	2,658,910.00	2,519,466.60
Local District School Tax	A-18	9,805,748.00	9,476,977.00
Municipal Open Space Tax	A-19	63,357.61	63,144.51
Total Expenditures		<u>15,899,413.08</u>	<u>15,407,446.44</u>
Statutory Excess to Fund Balance		580,488.81	592,210.85
Fund Balance, January 1,	A-1	<u>1,442,166.59</u>	<u>1,364,955.74</u>
		2,022,655.40	1,957,166.59
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>590,000.00</u>	<u>515,000.00</u>
Fund Balance, December 31,	A	<u>1,432,655.40</u>	<u>1,442,166.59</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Green, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	590,000.00	590,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	800.00	1,108.80	308.80
Fees and Permits	A-9	15,000.00	12,475.00	(2,525.00)
Fines and Costs				
Municipal Court	A-9	3,000.00	2,156.69	(843.31)
Interest and Costs on Taxes	A-9	30,000.00	28,299.87	(1,700.13)
Interest on Investments and Deposits	A-9	8,000.00	11,059.11	3,059.11
Consolidated Municipal Property Tax Relief Aid	A-9	12,022.00	12,022.00	
Energy Receipts Tax	A-9	191,765.00	191,765.00	
Garden State Trust	A-9	4,084.00	4,084.00	
Special Items of General Revenue Anticipated				
With Prior Written Consent of Director of				
Local Government Services:				
Public and Private Revenues:				
Clean Communities	A-22	14,274.70	14,274.70	
Recycling Tonnage Grant	A-22	6,983.56	6,983.56	
Other Special Items:				
Rental Receipts	A-9	55,000.00	60,994.80	5,994.80
Airport Rentals Receipts	A-9	2,000.00	3,845.00	1,845.00
General Capital Reserve for Debt Service	A-9	16,499.39	16,499.39	
Total Miscellaneous Revenues	A-1	359,428.65	365,567.92	6,139.27
Receipts from Delinquent Taxes	A-1;A-2	110,550.00	126,474.62	15,924.62
Subtotal General Revenues		1,059,978.65	1,082,042.54	22,063.89
Amount to be Raised by Taxes for Support of				
Municipal Budget-Local Tax for Municipal Purposes				
Including Reserve for Uncollected Taxes	A-2	2,507,189.15	2,588,956.44	81,767.29
Budget Totals		3,567,167.80	3,670,998.98	103,831.18
Non-Budget Revenue	A-1;A-2		37,060.66	37,060.66
		<u>3,567,167.80</u>	<u>3,708,059.64</u>	<u>140,891.84</u>
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The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Green, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2017

<u>Analysis of Realized Revenues</u>	Ref.	
Revenue from Collections	A-1;A-6	14,918,673.05
Allocated to School, County, and Open Space Taxes	A-6	<u>12,528,015.61</u>
Balance for Support of Municipal Budget Appropriations		2,390,657.44
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>198,299.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>2,588,956.44</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		
Taxes Receivable	A-6	<u>126,474.62</u>
		A-2
<u>Analysis of Non-budget Revenues</u>		
Miscellaneous Revenues Not Anticipated:		
Revenues Accounts Receivable:		
Clerk	A-9	590.00
Sale of Municipal Assets	A-9	3,000.00
Cable T.V. Franchise Fee		10,509.00
Miscellaneous		<u>22,961.66</u>
	A-4	<u>33,470.66</u>
	A-2	<u><u>37,060.66</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Unexpended</u>
				<u>After</u> <u>Modification</u>	<u>Charged</u>		
General Government Functions							
Administrative and Executive							
Salaries and Wages			92,908.00	78,908.00	68,308.09	10,599.91	
Other Expenses			24,500.00	24,500.00	13,420.87	11,079.13	
Mayor & Committee							
Salaries & Wages			7,750.00	7,750.00	6,250.00	1,500.00	
Other Expenses			3,300.00	3,300.00	1,335.00	1,965.00	
Municipal Clerk							
Salaries & Wages			92,100.00	103,100.00	102,299.73	800.27	
Other Expenses			11,200.00	11,200.00	5,685.87	5,514.13	
Codification of Ordinances			5,000.00	5,000.00		5,000.00	
Financial Administration:							
Salaries and Wages			89,426.00	89,426.00	88,859.23	566.77	
Other Expenses			3,550.00	3,550.00	1,579.28	1,970.72	
Audit Services			25,400.00	25,400.00	11,950.00	13,450.00	
Computer Maintenance and Education			29,400.00	29,400.00	23,865.81	5,534.19	
Collection of Taxes							
Salaries and Wages			41,564.00	41,564.00	41,564.00		
Other Expenses			5,420.00	5,420.00	2,800.24	2,619.76	
Assessment of Taxes							
Salaries and Wages			48,522.00	48,522.00	48,522.00		
Other Expenses			9,250.00	9,250.00	1,378.16	7,871.84	
Legal Services and Costs							
Other Expenses			60,000.00	45,000.00	33,509.50	11,490.50	
Litigation							
Other Expenses			20,000.00	20,000.00	11,828.35	8,171.65	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Green, N.J.**

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**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Engineering Services and Costs						
Other Expenses		26,000.00	46,000.00	26,332.75	19,667.25	
Environmental Committee (R.S. 40:56 A-2)						
Salaries and Wages		600.00	600.00	400.00	200.00	
Other Expenses		1,200.00	1,200.00		1,200.00	
Municipal Land Use Law : (N.J.S. 40:55D-11)						
Planning Board						
Salaries and Wages		20,877.00	20,877.00	20,652.00	225.00	
Other Expenses		17,000.00	17,000.00	10,097.67	6,902.33	
Planner						
Other Expenses		10,000.00	10,000.00	1,155.00	8,845.00	
Zoning Officer						
Salaries and Wages		14,483.00	14,483.00	14,483.00		
Other Expenses		6,750.00	1,750.00		1,750.00	
Emergency Management Services:						
Other Expenses		5,550.00	5,550.00	3,406.90	2,143.10	
Aid to Volunteer Fire Companies (N.J.S.A. 40A:14-34)						
Green Township Volunteer Fire Department		71,500.00	71,500.00	71,500.00		
Fire Aid Organization - Contribution (N.J.S.A.40:5-2)						
Other Expenses		22,000.00	22,000.00	22,000.00		
Well Monitoring						
Other Expenses		5,000.00	5,000.00		5,000.00	
Uniform Fire Prevention Official						
Salaries and Wages		1.00	1.00		1.00	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.



Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Streets and Roads:						
Road Repair and Maintenance:						
Salaries and Wages		270,000.00	270,000.00	242,331.47	27,668.53	
Other Expenses		194,700.00	194,700.00	125,966.62	68,733.38	
Storm Recovery						
Salaries & Wages		30,000.00	30,000.00	16,708.24	13,291.76	
Other Expenses		90,000.00	90,000.00	66,387.69	23,612.31	
Recycling and Separation Program						
Salaries and Wages	1.00		1.00		1.00	
Garbage and Trash Removal						
Other Expenses		310,000.00	310,000.00	269,293.33	40,706.67	
Public Buildings and Grounds						
Salaries and Wages		17,660.00	17,660.00	17,070.25	589.75	
Other Expenses		102,550.00	112,550.00	79,014.16	33,535.84	
Dog Regulation:						
Salaries and Wages		2,000.00	2,000.00	2,000.00		
Administration of Public Assistance						
Salaries and Wages	1.00		1.00		1.00	
Other Expenses	1.00		1.00		1.00	
Contribution to Senior Citizens Center (N.J.S. 40:48-9)		2,000.00	2,000.00	2,000.00		
Recreation and Education						
Recreation						
Salaries and Wages		10,584.00	10,584.00	10,233.95	350.05	
Other Expenses		12,000.00	12,000.00	9,223.00	2,777.00	
Insurance						
General Liability		66,600.00	66,600.00	63,599.09	3,000.91	
Workers Compensation Insurance		68,250.00	68,250.00	65,794.00	2,456.00	
Employees Group Health		291,755.00	291,755.00	288,105.40	3,649.60	
Health Benefit Waiver		7,600.00	10,600.00	10,534.00	66.00	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Municipal Court						
Salaries and Wages		2,006.00	2,006.00	2,006.00		
Other Expenses		500.00	500.00		500.00	
Public Defender						
Other Expense		200.00	200.00		200.00	
Parks and Playgrounds:						
Salaries and Wages		1.00	1.00		1.00	
Other Expenses		32,300.00	22,300.00	10,634.38	11,665.62	
Celebration of Public Events, Anniversary or Holiday:						
Other Expenses		4,975.00	4,975.00	426.23	4,548.77	
H.B.V. Vaccination						
Other Expenses		660.00	660.00		660.00	
Utility and Bulk Purchases						
Fire Hydrant		18,000.00	18,000.00	9,639.99	8,360.01	
Electricity		25,000.00	25,000.00	12,758.33	12,241.67	
Street Lighting		900.00	900.00	483.03	416.97	
Telephone		12,200.00	12,200.00	8,671.66	3,528.34	
Propane Gas		27,000.00	27,000.00	13,282.29	13,717.71	
Fuel Oil-Gas		40,000.00	40,000.00	21,151.42	18,848.58	
Uniform Construction Code -						
Appropriations Offset by Dedicated						
Revenues (N.J.A.C. 5:23-4.17)						
Code Enforcement & Administration		500.00	500.00	465.75	34.25	
Other Expenses						

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Accumulated Absences						
Salaries and Wages		4,000.00	4,000.00	4,000.00		
Total Operations {Item 8 (A)} Within "CAPS"		<u>2,414,195.00</u>	<u>2,414,195.00</u>	<u>1,984,963.73</u>	<u>429,231.27</u>	
B. Contingent						
Total Operations Including Contingent- Within "CAPS"		<u>2,414,195.00</u>	<u>2,414,195.00</u>	<u>1,984,963.73</u>	<u>429,231.27</u>	
Detail:						
Salaries and Wages	A-1	744,484.00	741,484.00	685,687.96	55,796.04	
Other Expenses (Including Contingent)	A-1	<u>1,669,711.00</u>	<u>1,672,711.00</u>	<u>1,299,275.77</u>	<u>373,435.23</u>	
Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		82,049.00	82,049.00	82,049.00		
Public Employees' Retirement System Back Deductions		1,500.00	1,500.00	308.00	1,192.00	
Social Security System (O.A.S.I.)		60,000.00	60,000.00	52,311.72	7,688.28	
Unemployment Compensation Insurance		5,000.00	5,000.00	3,930.18	1,069.82	
Defined Contribution Retirement Program		<u>2,500.00</u>	<u>2,500.00</u>	<u>51.69</u>	<u>2,448.31</u>	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>151,049.00</u>	<u>151,049.00</u>	<u>138,650.59</u>	<u>12,398.41</u>	
Total General Appropriations for Municipal Purposes within "CAPS"		<u>2,565,244.00</u>	<u>2,565,244.00</u>	<u>2,123,614.32</u>	<u>441,629.68</u>	
(A) Operations - Excluded From "CAPS"						
Operations - Excluded From "CAPS"						
Length of Service Award Program		19,000.00	19,000.00	16,500.00	2,500.00	
Total Other Operations - Excluded From CAPS		<u>19,000.00</u>	<u>19,000.00</u>	<u>16,500.00</u>	<u>2,500.00</u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Interlocal Municipal Service Agreements						
Dispatch Services - "911"		10,737.00	10,737.00	10,737.00		
Emergency Management Shared Service		2,200.00	2,200.00	2,200.00		
Municipal Court						
Other Expenses		44,800.00	44,800.00	40,800.00	4,000.00	
Total Interlocal Municipal Service Agreements		<u>57,737.00</u>	<u>57,737.00</u>	<u>53,737.00</u>	<u>4,000.00</u>	
Public and Private Programs Offset By Revenues						
Clean Communities Grant						
Other Expenses		14,274.00	14,274.00	14,274.00		
Recycling Tonnage Grant						
Other Expenses		6,983.56	6,983.56	6,983.56		
Municipal Matching Funds - Action Alliance Grant		1,000.00	1,000.00	500.00	500.00	
Municipal Matching Funds		1.00	1.00		1.00	
Total Public and Private Programs Offset		<u>22,258.56</u>	<u>22,258.56</u>	<u>21,757.56</u>	<u>501.00</u>	
By Revenues						
Total Operations - Excluded from "CAPS"		98,995.56	98,995.56	91,994.56	7,001.00	
Detail:						
Other Expenses	A-1	98,995.56	98,995.56	91,994.56	7,001.00	
Capital Improvements - Excluded From "CAPS"						
Improvements to Roads		215,000.00	215,000.00	215,000.00		
Purchase of DPW Truck(s)		50,000.00	50,000.00	48,237.82	1,762.18	
Purchase of DPW Equipment		22,000.00	22,000.00		22,000.00	
Improvement to Municipal Properties		60,000.00	60,000.00	60,000.00		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2017

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>						
Total Capital Improvements Excluded from "CAPS"	A-1	347,000.00	347,000.00	323,237.82	23,762.18	
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal		175,000.00	175,000.00	175,000.00		0.48
Interest on Bonds		53,093.00	53,093.00	53,092.52		
Green Loan Trust Program:						
Payment of Dam Restoration Loan Principal		49,944.00	49,944.00	49,943.35		0.65
Interest on Dam Restoration Loan		16,100.00	16,100.00	16,099.80		0.20
Total Municipal Debt Service-Excluded from "CAPS"	A-1	294,137.00	294,137.00	294,135.67		1.33
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges:						
Special Emergency Authorizations						
5 Years (N.J.S. 40A:4-55)		13,492.24	13,492.24	13,492.24		
Special Emergency Authorizations - 3 Years (N.J.S. 40A:4-55.1 & 40A:4-55.13))						
Ord. 13-01 Multipurpose Bond		50,000.00	50,000.00	50,000.00		
Total Deferred Charges - Municipal - Excluded From "CAPS"	A-1	63,492.24	63,492.24	63,492.24		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		803,624.80	803,624.80	772,860.29	30,763.18	1.33
Total General Appropriations - Excluded From "CAPS"		803,624.80	803,624.80	772,860.29	30,763.18	1.33
Subtotal General Appropriations		3,368,868.80	3,368,868.80	2,896,474.61	472,392.86	1.33
Reserve for Uncollected Taxes		198,299.00	198,299.00	198,299.00		
Total General Appropriations		3,567,167.80	3,567,167.80	3,094,773.61	472,392.86	1.33
			A-2			

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			198,299.00		
Cash Disbursed	A-4			2,861,724.11		
Deferred Charges - Special Emergency	A-12			13,492.24		
Schedule of Appropriated Reserves for Grants	A-23			21,258.26		
				<u>3,094,773.61</u>		
Analysis of Appropriation Reserve						
Unencumbered	A				261,983.72	
Encumbered	A				210,409.14	
					<u>472,392.86</u>	

## Township of Green, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	<u>11,509.31</u>	<u>13,112.31</u>
Other Trust Funds:			
Cash	B-1	<u>4,284,669.90</u>	<u>4,180,384.20</u>
Emergency Services Volunteer Length of Service Award Program ( Unaudited)			
Cash	B-1	280,484.38	240,041.17
Contributions Receivable	B-7	<u>16,500.00</u>	<u>15,000.00</u>
		<u>296,984.38</u>	<u>255,041.17</u>
Total Assets		<u><u>4,593,163.59</u></u>	<u><u>4,448,537.68</u></u>

The accompanying "Notes for Financial Statements" are an integral part of these Financial Statements.

## Township of Green, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust Fund:			
Reserve for Dog Expenditures	B-2	11,509.31	12,829.91
Reserve for Encumbrances	B-3		280.00
Due to State Board of Health	B-4		2.40
		<u>11,509.31</u>	<u>13,112.31</u>
Other Trust Fund:			
Reserve for:			
Encumbrances	B-5	2,904.15	5,914.77
Various Reserves	B-6	4,281,765.75	4,174,469.43
		<u>4,284,669.90</u>	<u>4,180,384.20</u>
Emergency Services Volunteer Length of Service Award Program ( Unaudited)			
Net Assets Available for Benefits	B-8	<u>296,984.38</u>	<u>255,041.17</u>
Total Liabilities, Reserves and Fund Balances		<u><u>4,593,163.59</u></u>	<u><u>4,448,537.68</u></u>

The accompanying "Notes for Financial Statements" are an integral part of these Financial Statements.



**Township of Green, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**General Capital Fund**

**December 31,**

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Cash	C-2;C-3	790,103.87	635,834.27
Deferred Charges to Future Taxation			
Funded	C-4	1,765,470.66	1,990,414.01
Unfunded	C-5	4,160.13	166,358.23
		<u>2,559,734.66</u>	<u>2,792,606.51</u>
<u>Liabilities, Reserves and Fund Balance</u>			
DEP Loans Payable	C-9	767,470.66	817,414.01
General Serial Bonds	C-10	998,000.00	1,173,000.00
Improvement Authorizations:			
Funded	C-7	64,286.50	51,750.00
Unfunded	C-7		112,198.10
Capital Improvement Fund	C-6	234,478.61	354,478.61
Various Reserves	C-8	378,720.81	166,987.71
Fund Balance	C-1	116,778.08	116,778.08
		<u>2,559,734.66</u>	<u>2,792,606.51</u>

Footnote C: There were \$4,160.13 and \$166,358.23 Bonds and Notes Authorized But Not Issued  
Per Exhibit C-11 on December 31, 2017 and 2016.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Green, N.J.**

**Comparative Schedule of Fund Balance - Regulatory Basis**

**General Capital Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Balance - January 1,	C	<u>116,778.08</u>	<u>116,778.08</u>
Balance - December 31,	C	<u>116,778.08</u>	<u>116,778.08</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Green, N. J.**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31,**

	<u>2017</u>	<u>2016</u>
<u>General Fixed Assets:</u>		
Land	2,436,300.00	5,188,400.00
Buildings	1,639,000.00	1,131,000.00
Equipment (Including Vehicles)	<u>1,343,781.00</u>	<u>2,103,036.81</u>
Total	<u><u>5,419,081.00</u></u>	<u><u>8,422,436.81</u></u>
 Investment in Fixed Assets	 <u><u>5,419,081.00</u></u>	 <u><u>8,422,436.81</u></u>

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

## **TOWNSHIP OF GREEN, N.J.**

### **NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Township of Green have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is an other comprehensive basis of accounting other than generally accepted accounting principles. 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 differ from the fund structure required by GAAP.

#### **A. Reporting Entity**

The Township of Green (the "Township") operates under a Township Committee form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

#### **B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

The Township has the following funds and account groups

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

A modified accrual basis of accounting is followed by the Township of Green. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local governmental units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remain in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund  
Animal Control Trust Fund

Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2017, the Governing Body did not increase the original Current Fund budget, and several budget transfers were approved by the Governing Body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by NJSA 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

General Fixed Assets - The Township of Green has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs from generally accepted accounting principles.

Fixed Assets used in Governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimate historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.



**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that all fixed assets be capitalized at historical cost or estimated historical cost if actual historical cost is not available.

**Recent Accounting Pronouncements**

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Township does not believe this Statement will have any effect on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The Township does not believe this Statement will have any effect on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Township does not believe this Statement will have any effect on future financial statements.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Recent Accounting Pronouncements (continued)**

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Township does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Township does not believe this Statement will have any effect on future financial statements.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, Blending Requirements for Certain Component Units, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Township does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Township does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Recent Accounting Pronouncements (continued)**

issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice. The Township does not believe this Statement will have any effect on future financial statements.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The Township does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The Township is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Recent Accounting Pronouncements (continued)**

In June 2017, the Government Accounting Standards Board issued GASB Statement No. 87, Leases, which is intended to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, as a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

**C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2017 statutory budget included a reserve for uncollected taxes in the amount of \$198,299.00 to balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2017 statutory budget was \$590,000.00.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 2: BUDGETARY INFORMATION**

Interdepartment budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Township Committee.

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2017, the Township did not insert any items of revenue or appropriation into its annual budget.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2017, there were no emergency authorizations inserted into the budget.

**NOTE 3: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the Township had the following deferred charges:

	<u>Balance Dec. 31, 2017</u>	<u>2018 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
Special Emergency Authorization:			
Tax Map Project	<u>\$14,980.75</u>	<u>\$14,980.75</u>	<u>\$ -</u>

The appropriations in the 2018 budget are not less than that required by Statute.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 4: GENERAL FIXED ASSETS**

The following schedule is a summarization of changes in the general fixed assets account group for the year 2017:

	Balance as of <u>12-31-16</u>	<u>Adjustments (1)</u>	Balance as of <u>12-31-17</u>
Land	\$5,188,400.00	\$(2,752,100.00)	\$2,436,300.00
Buildings	1,131,000.00	508,000.00	1,639,000.00
Machinery and Equipment	<u>2,133,036.81</u>	<u>(759,255.81)</u>	<u>1,343,781.00</u>
	<u>\$8,422,436.81</u>	<u>\$(3,003,355.81)</u>	<u>\$5,419,081.00</u>

- (1) The fixed asset records were compiled by Acclaim Inventories for the year 2017. Acclaim Inventories does not record land and buildings at historical cost and instead records land and buildings at appraised value. Because this is the first year Acclaim Inventories has compiled the fixed asset records, additions and deletions were unavailable.

**NOTE 5: MUNICIPAL DEBT**

Long-term debt as of December 31, 2017 consisted of the following:

	Balance <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2017</u>	Amounts Due Within <u>One Year</u>
Bonds Payable - General Obligation	\$1,173,000.00	\$ -	\$175,000.00	\$998,000.00	\$175,000.00
DEP - Loans Payable	817,414.01	-	49,943.35	767,470.66	50,947.21
Compensated Absences Payable	<u>44,166.56</u>	<u>10,791.19 (1)</u>	<u>-</u>	<u>54,957.75</u>	<u>-</u>
	<u>\$2,034,580.57</u>	<u>\$10,791.19</u>	<u>\$224,943.35</u>	<u>\$1,820,428.41</u>	<u>\$225,947.21</u>

(1) Net Increase

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (Continued)**

The Township's debt is summarized as follows:

<u>Issued</u>	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
General:			
Bonds, Notes and Loans	<u>1,765,470.66</u>	<u>1,990,414.01</u>	<u>2,214,373.27</u>
Net Debt Issued	<u>1,765,470.66</u>	<u>1,990,414.01</u>	<u>2,214,373.27</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>4,160.13</u>	<u>166,358.23</u>	<u>216,358.28</u>
Total Authorized But Not Issued	<u>4,160.13</u>	<u>166,358.23</u>	<u>216,358.28</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>1,769,630.79</u>	<u>2,156,772.24</u>	<u>2,430,731.55</u>

**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 statement net debt of 0.383 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local and Regional			
School District Debt	731,800.00	731,800.00	-
General Debt	<u>1,769,630.79</u>	<u>16,499.39</u>	<u>1,753,131.40</u>
	<u>2,501,430.79</u>	<u>748,299.39</u>	<u>1,753,131.40</u>

Net Debt \$1,753,131.40 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, 458,157,622.00 = 0.383%.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (Continued)**

**ANALYSIS OF AVERAGE EQUALIZED VALUATION**

2017	458,157,622.00		
2016		459,821,936.33	
2015			460,165,581.00

The foregoing debt information is in agreement with the Annual Debt Statement filed by Chief Financial Officer.

**BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED**

3 ½% of Equalized Valuation Basis (Municipal)	16,035,516.77
Net Debt	<u>1,753,131.40</u>
Remaining Borrowing Power	<u>14,282,385.37</u>

Analysis of Long-term Debt as of December 31, 2017 consisted of the following:

\$3,448,000.00 General Obligation Bonds - General Improvements - Dated 9/15/03. This bond is payable in annual installments through 9/15/23. Interest is paid semi-annually at various rates per annum. The balance remaining as of December 31, 2017 was \$998,000.00.

Dam Restoration at Lake Tranquility Dam - Dated 12/9/2011 with the New Jersey Department of Environmental Protection. This loan is payable in semi-annual installments of \$13,742.35 through 9/8/30. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in confirmation with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance at December 31, 2017 was \$313,259.62.

Dam Restoration at Lake Tranquility Dam - Dated 12/12/2011 with the New Jersey Department of Environmental Protection. This loan is payable in semi-annual installments of \$19,279.23 through 3/08/31. Interest is calculated at 2.00% and is included in the semi-annual installments. This method of calculating interest is not in confirmation with New Jersey Statutes. The Township has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance at December 31, 2017 was \$454,211.04.



**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (Continued)**

Outstanding Bond principal and interest are paid from the Current Fund of the Township.

Debt Outstanding

Total General Capital Bonds and Loans - Listed in above \$1,765,470.66

**SCHEDULE OF ANNUAL DEBT SERVICES FOR PRINCIPAL AND INTEREST FOR LONG TERM DEBT ISSUED AND OUTSTANDING**

<u>Calendar Year</u>	<u>General Capital Bonds &amp; Loans Interest</u>	<u>Principal</u>	<u>Total Debt Service</u>
2018	60,750.95	225,947.21	286,698.16
2019	52,070.66	226,971.25	279,041.91
2020	43,151.04	228,015.87	271,166.91
2021	34,210.42	229,081.49	263,291.91
2022	25,029.63	230,168.53	255,198.16
2023-2027	43,129.58	415,928.50	459,058.08
2028-2031	<u>8,050.86</u>	<u>209,357.81</u>	<u>217,408.67</u>
	<u>266,393.14</u>	<u>1,765,470.66</u>	<u>2,031,863.80</u>

**NOTE 6: BOND ANTICIPATION NOTES**

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

General Capital had no Outstanding Bond Anticipation Notes as of December 31, 2017.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 7: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2017 consist of the following:

<u>\$53,975.93</u>	Due to Federal and State Grant Fund from Current Fund for cash receipts and disbursements.
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It is anticipated that all interfunds will be liquidated during the calendar year.

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2017 and 2016 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Current Fund	<u>\$549,000.00</u>	<u>\$590,000.00</u>

**NOTE 9: PENSION PLAN**

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

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

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

*Public Employees' Retirement System (PERS) (continued):*

**Benefits Provided**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Defined Contribution Retirement Program**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

*Public Employees' Retirement System (PERS) (continued)*

Defined Contribution Retirement Program (continued)

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 of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
2017	\$82,357.00	\$51.69
2016	98,516.00	161.24
2015	86,920.00	412.34

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At December 31, 2017, the Township had a liability of \$1,830,323.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the Township's proportion was .0078627520 percent, which was an increase/(decrease) of (.0005907833) percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Township recognized pension expense of \$82,357.00. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$43,098.00	\$ -
Changes of assumptions	368,747.00	367,395.00
Net difference between projected and actual earnings on pension plan investments	12,463.00	-
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>86,956.00</u>	<u>401,970.00</u>
Total	<u>\$511,264.00</u>	<u>\$769,365.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Public Employees Retirement System (PERS) (continued)

Year ended June 30:	
2018	43,088.00
2019	65,020.00
2020	39,399.00
2021	(52,401.00)
2022	(38,193.00)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014 amounts respectively.

Additional Information

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$6,424,455,842	\$8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
Township's Proportion	.0078627520%	.0084535353%

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions (continued)

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality

Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return (continued)

plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U. S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U. S. Equity	30.00%	8.19%
Non-U. S. Developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially



**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

Public Employees Retirement System (PERS), (continued)

Discount Rate (continued)

determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2017</u>		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Township's proportionate share of the pension liability	\$2,270,640	\$1,830,323	\$1,463,484

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 10: ACCRUED SICK AND VACATION BENEFITS**

The Township of Green has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at the employees current rate at such termination. This amount is not reported either as an expenditure or a liability. It is estimated that current cost of such unpaid compensation would approximate \$54,957.75.

The Township has reserved \$23,854.94 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

**NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash - Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2017, \$280,484.38 of the Township's bank balance of \$8,294,035.40 was exposed to custodial credit risk. In comparison, as of December 31, 2016, \$240,041.17 of the Township's bank balance of \$7,365,863.92 was exposed to custodial credit risk.

**Investments - Investment Rate Risk**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the Township is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

The Township places no limit on the amount the Township may invest in any one issuer.

**Unaudited Investments**

As more fully described in NOTE 17, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Co., which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2017 and 2016 amounted to \$280,484.38, and \$240,041.17, respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Co. on December 31, 2017 and 2016:

	<b><u>2017</u></b>	<b><u>2016</u></b>
Investment Under 5%	\$82,685.76	\$72,726.69
Mid Cap Index Fund	34,611.11	31,399.80
Stock Index Fund	53,719.46	45,524.95
International Equities Fund	18,306.51	14,794.23
Health Sciences Fund	28,174.39	21,653.27
Aggressive Growth Lifestyle	29,710.57	23,270.24
Short Term Fixed Account	14,438.84	13,175.17
Small Capital Index Fund	<u>18,837.74</u>	<u>17,496.82</u>
Total	<u>\$280,484.38</u>	<u>\$240,041.17</u>

**NOTE 12: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2017 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 13: PUBLIC ASSISTANCE**

The Township of Green has elected to have the County of Sussex process all public assistance granted to the residents. Therefore, the Township no longer has a public assistance director.

**NOTE 14: HEALTH INSPECTIONS**

The Township of Green has elected to have the County of Sussex, Department of Health, perform all inspections. Therefore, the Township does not have a health inspector.

**NOTE 15. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec 31, 2017</u>	<u>Balance Dec 31, 2016</u>
Prepaid Taxes	<u>\$914,034.96</u>	<u>\$81,968.64</u>
Cash Liability for Taxes Collected in Advance	<u>\$914,034.96</u>	<u>\$81,968.64</u>

**NOTE 16: LOCAL AND REGIONAL DISTRICT SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District. The Township of Green has not elected to defer school taxes.

**NOTE 17: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN  
(LOSAP)**

On February 25, 2003, the Division of Local Government Services approved the Township's LOSAP plan, provided by Variable Annuity Life Insurance Co. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 17: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN  
(LOSAP) (Continued)**

Variable Annuity Life Insurance Co. will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plans contribution requirements are as follows: the contribution for each participating active volunteer member shall be between the minimum contribution of \$115.00 and the maximum contribution of \$1,150.00. The Township's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 18: POST-RETIREMENT BENEFITS**

**Plan Description**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in SHBP. In 1993, Township of Green authorized participation in the SHBP's post-retirement benefit program through resolution number 85-93R. Eligible retired employees and their dependents covered under the program, including surviving spouses will receive benefits based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement but including the employees who retired on disability pensions based on fewer years of service credited, and also to reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program covering the retired employees and their spouse in accordance with the regulations of the SHBP. The Township of Green has not yet adopted chapter 48, which allows employees to retire with all benefits listed above, with the exception that benefits will commence after fifteen (15) years of service with the township, and a minimum age of 62. This will be completed and implemented in the near future.

**TOWNSHIP OF GREEN, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 18: POST-RETIREMENT BENEFITS (Continued)**

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P. O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf](http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf)

**Funding Policy**

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of Green on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes. There are no cost sharing policies that the current retirees contribute.

The Township of Green contributions for SHBP for the years ended December 31, 2017, 2016, and 2015, were \$137,761.08, \$93,030.24, and \$63,858.63 respectively, which equaled the required contributions for each year. There were approximately 6 retired participants eligible at December 31 2017, 6 retired participants eligible at December 31 2016, and 9 retired participants eligible at December 31, 2015.

**NOTE 19: CONTINGENT LIABILITIES**

Township Counsel advise us there are various claims filed against the Township for personal injuries and property damage suffered by various parties, which claims are being defended by the insurance carriers for the Township.

**NOTE 20: SUBSEQUENT EVENT**

The Township has evaluated subsequent events through May 29, 2018, the date which the financial statements were available to be issued and no other items were noted for disclosure.

## **SUPPLEMENTARY DATA**

**TOWNSHIP OF GREEN, N.J.**

**OFFICIALS IN OFFICE AND SURETY BONDS**

Year Ended December 31, 2017

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Margaret ("Peg") Phillips	Mayor	*
Daniel Conkling	Deputy Mayor	*
James Chirip	Committee	*
Bader Qarmout	Committee	*
Virginia Raffay	Committee	*
Mark Zschack	Township Clerk; Assess. Search Officer; Registrar of Vital Statistics	*
Patricia DeClesis	Deputy Clerk; Deputy Registrar	*
Karen Ferrone	Tax Collector; Tax Search Officer	*
Linda Padula	CFO/Treasurer	*
Kimberlee Mantz	Planning Board/Board of Adjustment Secretary	*
Ursula Leo	Attorney	*
Penny Holenstein	Assessor	*
Richard O'Connor	Construction Official	*
David Diehl	Zoning Official	*
Richard O'Connor	Fire Prevention Official	*
Alan DeCarolis	Animal Control Officer	*
Daren Phil	Engineer	*
Patricia DeClesis	Board of Health Secretary	*
Jessica Caldwell	Township Planner	*
Thomas M. Ferry, C.P.A., R.M.A.	Municipal Auditor	

- \* Blanket bond coverage is provided for all officials and employees in the amount of \$1,000,000.00. The type of coverage provided by blanket bond is for faithful performance blanket position bond coverage.

All the bonds were examined and were properly executed.



## Township of Green

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grantor Number	Program or Award Amount	Grant Period To/From	12/31/2016		Receipts	Expended	Canceled	12/31/2017		MEMO Cumulative Total Expenditures
					(Receivable)	Reserve Balance				(Receivable)	Reserve Balance	
NOT APPLICABLE												
TOTAL FEDERAL AID												

Note: This schedule was not subject to an audit in accordance with U.S. Uniform Guidance.

## Township of Green, N.J.

## Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2016		12/31/2017		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
FEDERAL AND STATE GRANT FUND								
NJ Department of Solid Waste Administration:								
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	6,794.17	1/1/12-12/31/12		2,545.05		(2,545.05)	6,794.17
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	8,379.04	1/1/13-12/31/13		8,379.04		(8,379.04)	8,379.04
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	8,005.77	1/1/14-12/31/14		8,005.77		(8,005.77)	8,005.77
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	8,044.80	1/1/15-12/31/15		8,044.80		(5,679.59)	5,679.59
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	6,983.56	1/1/16-12/31/16		6,983.56		6,983.56	
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	7,387.85	1/1/17-12/31/17		7,387.85		7,387.85	
				-	33,958.22	-	16,736.62	28,858.57
Clean Communities	4900-765-042-4900-004-V42Y-6020	12,480.09	1/1/15-12/31/15		4,405.68		(4,405.68)	12,480.09
Clean Communities	4900-765-042-4900-004-V42Y-6020	14,274.70	1/1/16-12/31/16		14,274.70		(10,974.84)	10,974.84
Clean Communities	4900-765-042-4900-004-V42Y-6020	12,127.25	1/1/17-12/31/17		12,127.25		12,127.25	
				-	18,680.38	-	15,380.52	23,454.93
				-	52,638.60	-	32,163.73	52,313.50
TOTAL NJ Department of Solid Waste Administration:					52,638.60		32,163.73	52,313.50
TOTAL FEDERAL AND STATE GRANT FUND					52,638.60		32,163.73	52,313.50
TOTAL STATE AID					52,638.60		32,163.73	52,313.50

Total NJ Department of Solid Waste Administration:

# COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

## CURRENT FUND

	<u>Year 2017</u>		<u>Year 2016</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	590,000.00	3.580%	515,000.00	3.219%
Miscellaneous - From Other Than Local Property Tax Levies	365,567.92	2.218%	379,084.05	2.369%
Collection of Delinquent Taxes and Tax Title Liens	126,474.62	0.767%	180,373.88	1.127%
Collection of Current Tax Levy	14,918,673.05	90.526%	14,431,108.94	90.196%
Other Credits to Income	479,186.30	2.908%	494,090.42	3.088%
<b><u>Total Revenue and Other Income Realized</u></b>	<u>16,479,901.89</u>	<u>100.00%</u>	<u>15,999,657.29</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	3,368,867.47	21.189%	3,347,658.33	21.728%
Local School Taxes	9,805,748.00	61.674%	9,476,977.00	61.509%
County Taxes	2,658,910.00	16.723%	2,519,466.60	16.352%
Municipal Open Space	63,357.61	0.398%	63,144.51	0.410%
Other Expenditures	2,530.00	0.016%	200.00	0.001%
<b><u>Total Expenditures</u></b>	<u>15,899,413.08</u>	<u>100.00%</u>	<u>15,407,446.44</u>	<u>100.00%</u>
<b>Statutory Excess to Fund Balance</b>	580,488.81		592,210.85	
<b>Fund Balance, January 1,</b>	<u>1,442,166.59</u>		<u>1,364,955.74</u>	
	2,022,655.40		1,957,166.59	
<b>Less:</b>				
Utilized as Anticipated Revenue	<u>590,000.00</u>		<u>515,000.00</u>	
<b>Fund Balance, December 31,</b>	<u><u>1,432,655.40</u></u>		<u><u>1,442,166.59</u></u>	

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>3.574</u>	<u>3.469</u>	<u>3.345</u>

### Apportionment of Tax Rate:

Municipal	.596	.596	.597
Open Space - Municipal	.015	.015	.015
County	.631	.600	.575
Local School	2.332	2.258	2.158

### Assessment Valuation

2017	464,335,551.00		
2016		454,977,399.00	
2015			418,226,400.00

## 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.

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Current Percentage of Collections</u>
2017	15,096,014.02	14,918,673.05	98.83%
2016	14,597,684.06	14,431,108.94	98.85%
2015	14,039,244.09	13,851,382.74	98.66%

### **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 three years.

<u>Dec. 31, Year</u>	<u>Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	998.12	160,930.09	161,928.21	1.073%
2016	669.31	126,224.62	126,893.93	.869%
2015	-	180,681.62	180,681.62	1.290%

### **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31 on the basis of the last assessed valuation of such properties, is as follows:

<u>Year</u>	<u>Amount</u>
2017	265,600.00
2016	331,600.00
2015	982,400.00

### **COMPARATIVE SCHEDULE OF FUND BALANCE**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2017	1,432,655.40	549,000.00
2016	1,442,166.59	590,000.00
2015	1,364,955.74	515,000.00
2014	1,444,076.56	610,000.00
2013	1,629,673.20	612,000.00

**Township of Green, N.J.**

**Schedule of Cash**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		<u>Total</u>
Balance - December 31, 2016	A		2,297,848.26
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	33,470.66	
Taxes Receivable	A-6	14,938,050.95	
Revenue Accounts Receivable	A-9	331,400.27	
Due From State - Senior Citizen and Veteran Deductions	A-10	24,958.90	
Interfunds	A-11	195,854.19	
Various Cash Liabilities and Reserves	A-14	562.83	
Prepaid Taxes	A-16	914,034.96	
			<u>16,438,332.76</u>
			18,736,181.02
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	2,861,724.11	
Interfunds	A-11	242,521.88	
Appropriation Reserves	A-13	196,323.13	
Various Cash Liabilities and Reserves	A-14	554.49	
Accounts Payable	A-15	2,642.00	
County Taxes Payable	A-17	2,666,929.39	
Local School District Taxes Payable	A-18	9,805,748.00	
			<u>15,776,443.00</u>
Balance - December 31, 2017	A		<u><u>2,959,738.02</u></u>

**Township of Green, N.J.**  
**Schedule of Cash - Change Fund**  
**Current Fund**  
**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	A	300.00
		<u>300.00</u>
Balance - December 31, 2017	A	300.00
		<u>300.00</u>
<u>Analysis of Balance:</u>		
Cashier		100.00
Tax Collector		200.00
		<u>300.00</u>
		<u>300.00</u>

## Township of Green, N.J.

## Schedule of Taxes Receivable and Analysis of Property Tax Levy

## Current Fund

## Year Ended December 31, 2017

Year	Balance, Dec. 31, 2016	Levy	Added Taxes	Collected 2016	2017	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2017
2015	1,049.23				1,049.23				
2016	125,175.39		250.00		125,675.39	(250.00)			0.00
	126,224.62		250.00		126,724.62	(250.00)			(0.00)
2017		15,024,835.23	71,178.79	81,968.64	14,811,326.33	25,378.08	328.81	16,082.07	160,930.09
	126,224.62	15,024,835.23	71,428.79	81,968.64	14,938,050.95	25,128.08	328.81	16,082.07	160,930.09
	A			A-2;A-16	A-2;A-4	A-2;A-10	A-7		A

## Analysis of Tax Levy

	Ref.
Tax yield:	
General Purpose Tax	15,024,835.23
Added Tax (R.S. 54:4-63.1 et seq.)	71,178.79
	<u>15,096,014.02</u>
Tax Levy:	
County Tax	2,646,343.30
Added County Taxes	<u>12,566.70</u>
	A-17
Local District School Tax	A-18
Municipal Open Space Tax	A-19
	<u>63,357.61</u>
	A-2
	<u>12,528,015.61</u>
Local Tax for Municipal Purposes	2,507,189.15
Additional Taxes	<u>60,809.26</u>
	<u>2,567,998.41</u>
	<u>15,096,014.02</u>



**Township of Green, N.J.**  
**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	A	669.31
Increased by:		
Transferred from 2017 Taxes Receivable	A-6	<u>328.81</u>
Balance - December 31, 2017	A	<u><u>998.12</u></u>

**Schedule of Property Acquired for  
Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	A	331,600.00
Decreased by:		
Adjusted to Assessed Value		<u>66,000.00</u>
Balance - December 31, 2017	A	<u><u>265,600.00</u></u>

**Township of Green, N.J.**  
**Schedule of Revenue Accounts Receivable**  
**Current Fund**  
**Year Ended December 31, 2017**

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	1,108.80	1,108.80
Fees and Permits	A-2	12,475.00	12,475.00
Miscellaneous Revenue not Anticipated	A-2	590.00	590.00
Municipal Court			
Fines and Costs	A-2	2,156.69	2,156.69
Interest and Costs on Taxes	A-2	28,299.87	28,299.87
Interest on Investments and Deposits	A-2	11,059.11	11,059.11
Energy Receipts Tax	A-2	191,765.00	191,765.00
Garden State Trust	A-2	4,084.00	4,084.00
Consolidated Municipal Property Tax			
Relief Aid	A-2	12,022.00	12,022.00
Airport Rentals Receipts	A-2	3,845.00	3,845.00
Capital Reserve for Debt Service	A-2	16,499.39	16,499.39
Sale of Municipal Assets	A-2	3,000.00	3,000.00
Rental Receipts	A-2	60,994.80	60,994.80
		<u>347,899.66</u>	<u>347,899.66</u>
Cash Receipts	A-4		331,400.27
Schedule of Interfunds	A-11		16,499.39
			<u>347,899.66</u>

**Township of Green, N.J.**

**Schedule of Amount Due From State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	A	7,877.60
Increased by:		
Senior Citizens' Deductions Per Tax Billing		3,000.00
Veterans' Deductions Per Tax Billing		21,250.00
Current Year Senior Citizens' and Veterans' Allowed		<u>1,500.00</u>
		25,750.00
Less:		
Deductions Disallowed - Current Year		371.92
Deductions Disallowed - Prior Year		<u>250.00</u>
	A-6	<u>25,128.08</u>
		33,005.68
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>24,958.90</u>
Balance - December 31, 2017	A	<u><u>8,046.78</u></u>

## Township of Green, N.J.

## Schedule of Interfunds Receivables/(Payables)

## Current Fund

Year Ended December 31, 2017

<u>Fund</u>	<u>Ref.</u>	<u>Due From/(To) Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Due From/(To) Balance Dec. 31, 2017</u>
Federal and State Grants	A	(53,785.40)	40,772.66	40,582.13	(53,975.93)
Other Trust- Developers Escrow			2,868.62	2,868.62	
Animal Control Trust Fund			2,223.76	2,223.76	
Other Trust Fund			67,478.05	67,478.05	
Other Trust - Payroll			546.91	546.91	
Other Trust - Open Space			3,979.37	3,979.37	
Other Trust- SUI			300.00	300.00	
General Capital Fund			141,042.43	141,042.43	
		<u>(53,785.40)</u>	<u>259,211.80</u>	<u>259,021.27</u>	<u>(53,975.93)</u>
<u>Analysis</u>		<u>(53,785.40)</u>			<u>(53,975.93)</u>
Due From - Current Fund					
Received	A-4		195,854.19		
Disbursed	A-4			242,521.88	
Revenue Accounts					
Receivable	A-9			16,499.39	
Municipal Open Space	A-19		63,357.61		
			<u>259,211.80</u>	<u>259,021.27</u>	

## Township of Green, N.J.

## Schedule of Deferred Charges - Special Emergency

## Current Fund

Year Ended December 31, 2017

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2016</u>	<u>Raised in 2017</u>	<u>Balance, Dec. 31, 2017</u>
<u>Special Emergency</u>						
Tax Map Project	02/28/14	50,000.00	10,000.00	24,980.75	10,000.00	14,980.75
Reassessment of Real Property	06/11/12	150,000.00	30,000.00	3,492.24	3,492.24	0.00
				<u>28,472.99</u>	<u>13,492.24</u>	<u>14,980.75</u>
				<u>A</u>	<u>A-3</u>	<u>A</u>

**Township of Green, N.J.**  
**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Administrative and Executive				
Salaries and Wages	9,478.37	9,478.37		9,478.37
Other Expenses	11,213.52	11,213.52	1,083.78	10,129.74
Mayor & Committee				
Salaries and Wages	1,659.61	1,659.61		1,659.61
Other Expenses	2,110.00	2,110.00		2,110.00
Municipal Clerk				
Salaries and Wages	2,670.37	2,670.37		2,670.37
Other Expenses	6,677.78	6,677.78	110.96	6,566.82
Codification of Ordinances	8,500.00	8,500.00	7,527.00	973.00
Financial Administration				
Salaries and Wages	1,052.26	1,052.26		1,052.26
Other Expenses	1,519.96	1,519.96	489.00	1,030.96
Audit Services	13,000.00	13,000.00	13,000.00	
Computer Maintenance and Education	12,350.19	12,350.19	5,417.99	6,932.20
Collection of Taxes				
Other Expenses	1,703.15	1,703.15	274.20	1,428.95
Assessment of Taxes				
Other Expenses	7,587.90	7,587.90	289.91	7,297.99
Legal Services and Costs				
Other Expenses	14,584.47	14,584.47	5,996.00	8,588.47
Engineering Services and Costs				
Other Expenses	18,890.87	18,890.87	1,247.30	17,643.57
Environmental Committee				
Salaries and Wages	891.24	891.24		891.24
Other Expenses	1,178.40	1,178.40		1,178.40
Municipal Land Use Law :				
Planning Board				
Salaries and Wages	27,681.12	27,681.12		27,681.12
Other Expenses	6,535.36	6,535.36	2,790.50	3,744.86
Planner				
Other Expenses	14,707.50	14,707.50		14,707.50
Litigation				
Other Expenses	20,563.32	20,563.32	13,189.93	7,373.39

**Township of Green, N.J.**  
**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Zoning Officer				
Other Expenses	1,850.00	1,850.00		1,850.00
Emergency Management Services				
Other Expenses	2,022.82	2,022.82	2,022.35	0.47
Well Monitoring	5,000.00	5,000.00		5,000.00
Uniform Fire Prevention Official				
Salaries and Wages	1.00	1.00		1.00
Streets and Roads:				
Road Repairs and Maintenance				
Salaries and Wages	79,928.45	79,928.45		79,928.45
Other Expenses	49,914.73	49,914.73	3,455.22	46,459.51
Storm Recovery				
Salaries and Wages	14,496.24	14,496.24	14,496.24	
Other Expenses	48,055.16	48,055.16	48,055.16	
Recycling and Separation Program				
Salaries and Wages	1.00	1.00		1.00
Garbage and Trash Removal				
Other Expenses	59,135.04	59,135.04	42,604.16	16,530.88
Public Buildings and Grounds				
Salaries and Wages	1,084.62	1,084.62		1,084.62
Other Expenses	35,078.86	35,078.86	8,517.01	26,561.85
Dog Regulation				
Salaries and Wages	338.39	338.39		338.39
Administration of Public Assistance				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	1.00	1.00		1.00
Recreation				
Salaries and Wages	568.72	568.72		568.72
Other Expenses	3,948.19	3,948.19	1,883.06	2,065.13
Insurance:				
General Liability	1,318.22	1,318.22		1,318.22
Workers Compensation	1,162.00	1,162.00		1,162.00
Employee Group Health	26,903.05	26,903.05	5,706.42	21,196.63
Health Benefit Waiver	1,133.33	1,133.33		1,133.33

**Township of Green, N.J.**

**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Municipal Court				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	500.00	500.00		500.00
Public Defender				
Other Expenses	200.00	200.00		200.00
Parks and Playgrounds:				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	30,832.61	30,832.61	121.43	30,711.18
Celebration of Public Events				
Anniversary or Holiday				
Other Expenses	4,515.48	4,515.48	3,060.00	1,455.48
H.B.V. Vaccination				
Other Expenses	660.00	660.00		660.00
Utility and Bulk Purchases				
Fire Hydrant	5,678.93	5,678.93	3,213.33	2,465.60
Electricity	12,540.28	12,540.28	1,528.59	11,011.69
Street Lighting	440.53	440.53	43.25	397.28
Telephone	3,078.72	3,078.72	847.54	2,231.18
Propane Gas	15,657.25	15,657.25	2,803.09	12,854.16
Fuel Oil - Gas	24,995.36	24,995.36	1,774.98	23,220.38
Code Enforcement & Administration	500.00	500.00		500.00
	<u>616,098.37</u>	<u>616,098.37</u>	<u>191,548.40</u>	<u>424,549.97</u>
Detail:				
Salaries and Wages	<u>139,854.39</u>	<u>139,854.39</u>	<u>14,496.24</u>	<u>125,358.15</u>
Other Expenses	<u>476,243.98</u>	<u>476,243.98</u>	<u>177,052.16</u>	<u>299,191.82</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS"				
Contribution to:				
Public Employees Retirement System				
Back Deductions	1,500.00	1,500.00	785.88	714.12
Social Security System (O.A.S.I.)	13,688.27	13,688.27		13,688.27
Unemployment Compensation Insurance	3,979.37	3,979.37	3,979.37	
Defined Contribution Retirement Program	<u>2,338.76</u>	<u>2,338.76</u>	<u>9.48</u>	<u>2,329.28</u>
Total Deferred Charges and Statutory				
Expenditures Within "CAPS"	<u>21,506.40</u>	<u>21,506.40</u>	<u>4,774.73</u>	<u>16,731.67</u>



**Township of Green, N.J.**  
**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Operations Excluded from "CAPS"				
Public and Private Programs Offset by Revenues				
Municipal Matching Funds - Action Alliance	500.00	500.00		500.00
Municipal Matching Funds	<u>1.00</u>	<u>1.00</u>		<u>1.00</u>
Total Public and Private Programs Offset by Revenues	<u>501.00</u>	<u>501.00</u>		<u>501.00</u>
Total Operations Excluded from "CAPS"	<u>501.00</u>	<u>501.00</u>		<u>501.00</u>
Total General Appropriations	<u><u>638,105.77</u></u>	<u><u>638,105.77</u></u>	<u><u>196,323.13</u></u>	<u><u>441,782.64</u></u>
			A-4	A-1
<u>Analysis of Appropriation Reserve</u>	<u>Ref.</u>			
Unencumbered	A	451,068.67		
Encumbered	A	<u>187,037.10</u>		
		<u><u>638,105.77</u></u>		

**Township of Green, N.J.**  
**Schedule of Various Cash Liabilities and Reserves**

<b>Current Fund</b>				
<b>Year Ended December 31, 2017</b>				
<u>Liabilities and Reserves</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
<u>Liabilities:</u>				
Due State of NJ Marriage License Fees	125.00	475.00	550.00	50.00
Tax Overpayments	1,284.35	87.83	4.49	1,367.69
<u>Reserve for:</u>				
Tax Appeals	75,000.00			75,000.00
Sale of Municipal Assets	33,588.71			33,588.71
	<u>109,998.06</u>	<u>562.83</u>	<u>554.49</u>	<u>110,006.40</u>
	A			A
Received	Ref.	562.83		
Disbursed	A-4		554.49	
	A-4	<u>562.83</u>	<u>554.49</u>	

**Township of Green, N.J.**

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	A		455.00
Increased by:			
Prior Year Expenditure	A-1		<u>2,530.00</u>
			<u>2,985.00</u>
Decreased by:			
Cancelled	A-1	343.00	
Cash Disbursed	A-4	<u>2,642.00</u>	
			<u>2,985.00</u>

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	A		81,968.64
Increased by:			
Receipts - Prepaid Taxes	A-4		<u>914,034.96</u>
			<u>996,003.60</u>
Decreased by:			
Applied to 2017 Taxes	A-6		<u>81,968.64</u>
Balance - December 31, 2017	A		<u>914,034.96</u>

**Township of Green, N.J.**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	<u>Ref.</u> A		8,019.39
Increased by:			
Levy		2,646,343.30	
Added and Omitted Taxes		<u>12,566.70</u>	
	A-1;A-6		<u>2,658,910.00</u>
			<u>2,666,929.39</u>
Decreased by:			
Payments	A-4		<u>2,666,929.39</u>

**Township of Green, N.J.**

**Schedule of Local School District Taxes Payable**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Increased by:		
Levy- 2017	A-1;A-6	<u>9,805,748.00</u>
Decreased by:		
Payments	A-4	<u>9,805,748.00</u>

**Schedule of Municipal Open Space Taxes Payable**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Increased by:			
Levy- 2017		63,058.86	
Added and Omitted Taxes		<u>298.75</u>	
	A-1;A-6		<u>63,357.61</u>
Decreased by:			
Interfund - Other Trust	A-11		<u>63,357.61</u>

## Township of Green, N.J.

## Schedule of Interfunds Receivable/(Payable)

## Federal and State Grant Fund

Year Ended December 31, 2017

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2017</u>
Current Fund		<u>53,785.40</u>	<u>19,515.10</u>	<u>19,324.57</u>	<u>53,975.93</u>
		A			A
Federal & State Grants Expenditures	A-23			3,213.20	
Encumbrances Paid	A-21			16,111.37	
Unappropriated Grants	A-24		<u>19,515.10</u>		
			<u>19,515.10</u>	<u>19,324.57</u>	

## Schedule of Encumbrances Payable

## Federal and State Grant Fund

Year Ended December 31, 2017

Balance - December 31, 2016	<u>Ref.</u> A	1,146.80
Increased by:		
Charges	A-23	<u>36,776.77</u>
		37,923.57
Decreased by:		
Paid or Charged	A-20	<u>16,111.37</u>
Balance - December 31, 2017	A	<u>21,812.20</u>

**Township of Green, N.J.**  
**Schedule of Grants Receivable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

	Budget <u>Revenue</u>	Transfer from Unappropriated <u>Reserves</u>
Recycling Tonnage Grant	6,983.56	6,983.56
Clean Communities	14,274.70	14,274.70
	<u>21,258.26</u>	<u>21,258.26</u>
	<u>A-2</u>	<u>A-24</u>

**Township of Green, N.J.**  
**Schedule of Appropriated Reserves for Grants**

**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Transfer</u> <u>From 2017</u> <u>Budget</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Clean Communities	4,405.68	14,274.70	15,380.52	3,299.86
Recycling Tonnage	26,974.66	6,983.56	24,609.45	9,348.77
	<u>31,380.34</u>	<u>21,258.26</u>	<u>39,989.97</u>	<u>12,648.63</u>
	A			A
	<u>Ref.</u>			
State and Federal Grants	A-3	21,258.26		
Interfund - Current Fund	A-20		3,213.20	
Encumbrance Payable	A-21		36,776.77	
		<u>21,258.26</u>	<u>39,989.97</u>	



**Township of Green, N.J.**  
**Schedule of Unappropriated Reserves for Grants**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

<u>Grant</u>	<u>Balance</u>		<u>Transfer to</u>		<u>Balance</u>	
	<u>Dec. 31, 2016</u>	<u>Received</u>	<u>2017 Budget</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2017</u>
Recycling Tonnage Grant	6,983.56	7,387.85	6,983.56	7,387.85		7,387.85
Clean Communities	14,274.70	12,127.25	14,274.70	12,127.25		12,127.25
	<u>21,258.26</u>	<u>19,515.10</u>	<u>21,258.26</u>	<u>19,515.10</u>		<u>19,515.10</u>
	A	A-20	A-22	A		A

## Township of Green, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Emergency Services Volunteer Length of Service Award Program</u>
Balance - December 31, 2016	B	<u>13,112.31</u>	<u>4,180,384.20</u>	<u>240,041.17</u>
Increase by Receipts:				
Dog License Fees - Township Share	B-2	8,758.80		
Late Fees	B-2	915.00		
Dog License Fees - State Share	B-4	1,240.20		
Other Trust Funds	B-6		968,044.05	
Township Contributions	B-7			16,500.00
Increase in Investment Value	B-8			34,408.43
Total Receipts		<u>10,914.00</u>	<u>968,044.05</u>	<u>50,908.43</u>
		<u>24,026.31</u>	<u>5,148,428.25</u>	<u>290,949.60</u>
Decreased by Disbursements:				
Reserve for Animal Control Trust				
Trust Expenditures	B-2	10,994.40		
Dog License Fees - State Share	B-4	1,242.60		
Reserve for Encumbrances	B-3;B-5	280.00	5,914.77	
Other Trust Funds	B-6		857,843.58	
Charges/Adjustments	B-8			180.98
Distribution	B-8			10,284.24
Total Disbursements		<u>12,517.00</u>	<u>863,758.35</u>	<u>10,465.22</u>
Balance - December 31, 2017	B	<u><u>11,509.31</u></u>	<u><u>4,284,669.90</u></u>	<u><u>280,484.38</u></u>

## Township of Green, N.J.

## Reserve for Animal Control Trust Fund Expenditures

## Trust Funds

Year Ended December 31, 2017

	<u>Ref.</u>		
Balance - December 31, 2016	B		12,829.91
Increased by:			
Dog License Fees - Township Share	B-1	8,758.80	
Late Fees	B-1	<u>915.00</u>	
			<u>9,673.80</u>
			22,503.71
Decreased by:			
Expenditures R.S.4:19-1511	B-1		<u>10,994.40</u>
Balance - December 31, 2017	B		<u><u>11,509.31</u></u>

License Fees Collected

<u>Year</u>	
2016	8,812.80
2015	<u>9,082.80</u>
	<u><u>17,895.60</u></u>

**Township of Green, N.J.**

**Reserve for Animal Control Trust Encumbrances**

**Trust Funds**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	B	<u>280.00</u>
Decreased by:		
Cash Disbursements	B-1	<u>280.00</u>

**Schedule of Due to State Department of Health**

**Trust Funds**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	B	2.40
Increased by:		
State Fees Collected	B-1	<u>1,240.20</u>
		<u>1,242.60</u>
Decreased by:		
Paid to State	B-1	<u>1,242.60</u>

## Township of Green, N.J.

## Schedule of Reserve for Encumbrances

## Trust Funds

## Year Ended December 31, 2017

	<u>Ref.</u>	
Balance - December 31, 2016	B	5,914.77
Increased by:		
Other Trust Funds	B-6	<u>2,904.15</u>
		8,818.92
Decreased by:		
Cash Disbursements	B-1	<u>5,914.77</u>
Balance - December 31, 2017	B	<u><u>2,904.15</u></u>

## Township of Green, N.J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2017

	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
Developers Escrow	2,090,009.76	47,893.41		2,137,903.17
Recreation Donations	13,053.43	8,454.75	8,319.83	13,188.35
Housing Rehabilitation	85,880.49	600.00		86,480.49
Affordable Housing	311,150.96		62,061.68	249,089.28
Unemployment	26,929.56	4,055.56		30,985.12
P.O.A.A	2.00			2.00
Payroll	1,577.89	769,628.64	770,749.69	456.84
LEA Fire Safety	20,664.35	3,930.00	2,930.00	21,664.35
Snow Removal/Storm Recovery	51,449.65	61,845.05	15,791.83	97,502.87
Accumulated Sick and Vacation	19,854.94	4,000.00		23,854.94
Open Space Trust	1,553,896.40	67,636.64	894.70	1,620,638.34
	<u>4,174,469.43</u>	<u>968,044.05</u>	<u>860,747.73</u>	<u>4,281,765.75</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-1	968,044.05		
Cash Disbursements	B-1		857,843.58	
Reserve for Encumbrances	B-5		2,904.15	
		<u>968,044.05</u>	<u>860,747.73</u>	

## Township of Green, N.J.

## Statement of Contributions Receivable

## Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2017

	<u>Ref.</u>		
Balance - December 31, 2016	B		15,000.00
Increased by:			
Township Contributions	B-8	16,500.00	
Contribution Adjustment - 2012	B-8	<u>1,500.00</u>	
			<u>18,000.00</u>
			33,000.00
Decreased by:			
Receipts	B-1		<u>16,500.00</u>
Balance - December 31, 2017	B		<u><u>16,500.00</u></u>

**Township of Green, N.J.**

**Schedule of Net Assets Available for Benefits**

**Emergency Services Volunteer Length of Services Award Program**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	B		255,041.17
Increased by:			
Township Contributions	B-7	16,500.00	
Contribution Adjustment	B-7	1,500.00	
Increase (Decrease) in Investment Value	B-1	<u>34,408.43</u>	
			<u>52,408.43</u>
			307,449.60
Decreased by:			
Distribution	B-1	10,284.24	
Charges/Adjustments	B-1	<u>180.98</u>	
			<u>10,465.22</u>
Balance - December 31, 2017	B		<u><u>296,984.38</u></u>



**Township of Green, N.J.**

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	C;C-3		635,834.27
Increased by Receipts:			
Deferred Charges to Future Taxation	C-5	50,000.00	
Various Reserves	C-8	<u>121,868.99</u>	
			<u>171,868.99</u>
			807,703.26
Decreased by Disbursements:			
Improvement Authorizations	C-7	1,100.00	
Various Reserves	C-8	<u>16,499.39</u>	
			<u>17,599.39</u>
Balance - December 31, 2017	C;C-3		<u><u>790,103.87</u></u>

## Township of Green, N.J.

## Analysis of Cash

## General Capital Fund

## Year Ended December 31, 2017

	Balance Dec. 31, 2016	Budget Appropriations	Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
			Receipts		Improvement Authorizations	Miscellaneous	To	From	
Fund Balance	116,778.08								116,778.08
Capital Improvement Fund	354,478.61								234,478.61
Reserve for Encumbrances							106,363.50	120,000.00	106,363.50
Reserve for Fire Equipment / Fire Truck	73,772.00		14,734.00						88,506.00
Reserve for DPW Gate	5,000.00								5,000.00
Reserve for Debt Service - Fire Truck	16,499.39		16,499.39			16,499.39			16,499.39
Reserve for Improvements to Municipal Properties	45,000.00		60,000.00						105,000.00
Reserve for Road Improvements	26,716.32		30,635.60						57,351.92
<u>Improvement Authorizations</u>									
Ordinance									
13-01 Multipurpose	(54,160.13)	50,000.00							(4,160.13)
14-07 Improvements to Municipal Property	11,750.00				1,100.00				11,750.00
16-14 Purchase of Alarm & Security System	40,000.00								38,900.00
17-07 Purchase of Over-the-Rail Mower									
	635,834.27	50,000.00	121,868.99		1,100.00	16,499.39	120,000.00	106,363.50	13,636.50
	C						226,363.50	226,363.50	790,103.87
								C	

**Township of Green, N.J.**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	C		1,990,414.01
Decreased by:			
Funded by Budget Appropriation			
DEP Loan Payable	C-9	49,943.35	
Serial Bonds	C-10	<u>175,000.00</u>	
			<u>224,943.35</u>
Balance - December 31, 2017	C		<u><u>1,765,470.66</u></u>

**Township of Green, N.J.**

**Schedule of Deferred Charges to Future Taxation - Unfunded**

**General Capital Fund**

**Year Ended December 31, 2017**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>By Budget Appropriation</u>	<u>Improvement Cancelled</u>	<u>Balance Dec. 31, 2017</u>
13-01	Multipurpose	166,358.23	50,000.00	112,198.10	4,160.13
		<u>C</u>	<u>C-2;C-11</u>	<u>C-7;C-11</u>	<u>C</u>

**Township of Green, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	C	354,478.61
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	C-7	<u>120,000.00</u>
Balance - December 31, 2017	C	<u><u>234,478.61</u></u>

## Township of Green, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2017

Ord. No.	Improvement Description <u>General Improvements:</u>	Ordinance		Balance Dec. 31, 2016		2017 Authorizations	Cancelled	Expended	Balance Dec. 31, 2017	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
13-01	Multipurpose	2/25/2013	938,700.00		112,198.10		112,198.10			
14-07	Improvements to Municipal Property	7/14/2014	11,750.00	11,750.00					11,750.00	
16-14	Purchase of Alarm & Security System	11/28/2016	40,000.00	40,000.00				1,100.00	38,900.00	
17-07	Purchase of Over-the-Rail Mower	11/6/2017	120,000.00			120,000.00		106,363.50	13,636.50	
				51,750.00	112,198.10	120,000.00	112,198.10	107,463.50	64,286.50	
				C	C	C-6	C-5;C-11		C	
		Ref.								
		C-8						106,363.50		
		C-2						1,100.00		
								107,463.50		

Reserve for Encumbrances  
Disbursed

**Township of Green, N.J.**

**Schedule of Various Reserves**

**General Capital Fund**

**Year Ended December 31, 2017**

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Encumbrances		106,363.50		106,363.50
Reserve for Fire Equipment / Fire Truck	73,772.00	14,734.00		88,506.00
Reserve for DPW Gate	5,000.00			5,000.00
Debt Service - Fire Truck	16,499.39	16,499.39	16,499.39	16,499.39
Reserve for Improvements to Municipal Properties	45,000.00	60,000.00		105,000.00
Reserve for Road Improvements	26,716.32	30,635.60		57,351.92
	<u>166,987.71</u>	<u>228,232.49</u>	<u>16,499.39</u>	<u>378,720.81</u>
	C			C
	<u>Ref.</u>			
Cash Receipts	C-2	121,868.99		
Cash Disbursements	C-2		16,499.39	
Improvement Authorizations	C-7	106,363.50		
		<u>228,232.49</u>	<u>16,499.39</u>	

## Township of Green, N.J.

## Schedule of Department of Environmental Protection Loan Payable

## General Capital Fund

## Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
Lake Tranquility Dam Restoration	12/09/11	423,257.58	9/08/17 - 9/08/30	See Notes	2.00%	334,165.02	20,905.40	313,259.62
Lake Tranquility Dam Restoration	12/12/11	607,000.00	9/08/17 - 3/08/31	See Notes	2.00%	483,248.99	29,037.95	454,211.04
						817,414.01	49,943.35	767,470.66
						C	C-4	C



**Township of Green, N.J.**  
**Schedule of General Serial Bonds Payable**  
**General Capital Fund**

**Year Ended December 31, 2017**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds of 2003	09/15/03	3,448,000.00	9/15/18-22	175,000.00	Various	1,173,000.00	175,000.00	998,000.00
			09/15/23	123,000.00		1,173,000.00	175,000.00	998,000.00
						<u>C</u>	<u>C-4</u>	<u>C</u>

## Township of Green, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2017

Ord. No.	<u>Improvement Description</u> <u>General Improvements:</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Cancelled</u>	<u>Funded by</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
13-01	Multipurpose	166,358.23	112,198.10	50,000.00	4,160.13
		<u>Footnote C</u>	<u>C-5; C-7</u>	<u>C-5</u>	<u>Footnote C</u>

**TOWNSHIP OF GREEN**

**\* \* \* \* \***

**PART II**

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE  
AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2017**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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James J. Cerullo, CPA, RMA  
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and  
Members of the Township Committee  
Township of Green  
County of Sussex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Green in the County of Sussex as of and for the year ended December 31, 2017 and the related notes to the financial statements, and have issued our report thereon dated May 29, 2018, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Services Award Program not being audited.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Green's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Green's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Green'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 deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control described in the accompanying Schedule of Findings and Responses, as 17-01, that we consider to be a significant deficiency.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Green's financial statements-regulatory basis 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

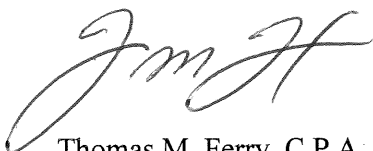
However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Green in the accompanying comments and recommendations section of this report.

### **Township of Green's Responses to Findings**

The Township of Green's response to the findings identified in our audit are described in the accompanying Summary of Findings and Responses section of our audit. The Township's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Green internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Green internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkatz, Cerullo & Cuva, PA*  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
*Certified Public Accountants*

Newton, New Jersey

May 29, 2018

## TOWNSHIP OF GREEN

### SUMMARY OF FINDINGS AND RESPONSES YEAR ENDED DECEMBER 31, 2017

#### Summary of Auditor's Results:

A qualified opinion was issued on the Township's financial statements prepared on an other comprehensive basis of accounting.

The audit did disclose a significant deficiency in the internal controls of the Township.

The Township was not subject to the single audit provisions of Uniform Guidance and State Circular 15-08 OMB for 2017 as grant expenditures were less than the single audit thresholds identified in the Circulars.

#### Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

The audit did disclose findings required to be reported under Generally Accepted Government Auditing Standards, as follows:

##### Finding 2017-01:

###### Segregation of Duties

The Township does not maintain an adequate segregation of duties within the Tax Collector Department. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. These situations occur because of the limited number of employees qualified to perform other accounting functions. The Township was made aware of this lack of internal control and will consider strengthening Internal Control within reason of the costs and benefits derived.

###### Management Response:

The Township will consider strengthening internal control within reason of costs, benefits derived and budget constraints.

**TOWNSHIP OF GREEN**

**SUMMARY OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2017**

**Findings and Questioned Costs for Federal Awards:**

Not applicable

**Findings and Questioned Costs for State Awards:**

Not applicable

**TOWNSHIP OF GREEN**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

The Township's prior year finding regarding Segregation of Duties has not been corrected for the Tax Collector Department and is included in the audit for the year ended December 31, 2017.

Finding 2016-01:

Condition:

Segregation of Duties

The Township does not maintain an adequate segregation of duties within the Tax Collector Department. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. These situations occur because of the limited number of employees qualified to perform other accounting functions. The Township was made aware of this lack on internal control and will consider strengthening Internal Control within reason of the costs and benefits derived.

Current Status:

Corrective action has not been taken for the Tax Collector Department. The Township will consider strengthening internal control within reason of the costs, benefits derived and budget constraints.



## GENERAL COMMENTS

### Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2017, and at May 29, 2018, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

### Contracts and agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S. 40A:11-3 states:

a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

## **GENERAL COMMENTS** (Continued)

### **Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (continued)**

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$40,000.00.

The Governing Body of the Township of Green have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for Township Appraiser, Engineer, Auditor, Attorney, Municipal Prosecutor, Township Planner, Special Prosecutor, Insurance Agent and Bond Counsel.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Township's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "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 or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

### **Collection of Interest on Delinquent Taxes and Assessments**

The statute provides the method of 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 5, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township Committee of the Township of Green that after a 10 day grace period, interest will be charged at the rate of eight percent (8%) per annum for the first \$1,500.00 and at the rate of eighteen percent (18%) per annum for any and all sums exceeding \$1,500.00 of all delinquent taxes, assessments and Township charges.

BE IT FURTHER RESOLVED that the interest shall revert to the rate of eight percent (8%) per annum on the first \$1,500.00 and eighteen percent (18%) on any and all sums exceeding \$1,500.00 per annum from the first day the taxes become delinquent until they become current.

## **GENERAL COMMENTS** (Continued)

### **Collection of Interest on Delinquent Taxes and Assessments** (continued)

BE IT FURTHER RESOLVED that an additional penalty of six percent (6%) shall be added on delinquencies in excess of \$10,000.00 which are not paid prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of delinquency.

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

### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on October 26, 2017 and was complete except for parties in bankruptcy court.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2017	1
2016	1
2015	-

### **Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The result of the test which was made as of December 31, 2017 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

### **Segregation of Duties**

The Township does not maintain an adequate segregation of duties within the Tax Collector Department. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. These situations occur because of the limited number of employees qualified to perform other accounting functions. The Township was made aware of this lack on internal control and will consider strengthening Internal Control within reason of the costs, benefits derived and budget constraints.

#### **Management Response:**

The Township will consider strengthening internal control within reason of costs, benefits derived and budget constraints.

## **OTHER COMMENTS**

### **Municipal Court**

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Judge, Township Clerk and Division of Local Government Services. We noted however, that there are internal control problems that are throughout the State of New Jersey Municipal Court System caused by the implementation of the Automated Traffic System and the Automated Complaint System.

Two out of ten tickets selected for testing were not available for audit.

#### **Management Response:**

Due to turnover of court employees, some physical tickets were misplaced. The new court administrator will ensure all physical tickets will be available for audit.

## **RECOMMENDATIONS**

1. That the Township strengthen internal controls within the Tax Collector Department.
2. That Municipal Court tickets be available for audit.

## **Status of Prior Year's Audit Findings/Recommendations**

A review was performed on all prior year's recommendations and corrective action was taken on all, with the exception of the following:

1. That the Township strengthen internal controls within the Tax Collector Department.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

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