

**TOWNSHIP OF ELSINBORO**

**COUNTY OF SALEM**

**REPORT OF AUDIT**

**DECEMBER 31, 2021**

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

**COUNTY OF SALEM**

**PART I**

**ROSTER OF OFFICIALS IN OFFICE AND SURETY BONDS**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Sean Elwell	Mayor	\$ 5,000 (1)
Joseph McAllister	Deputy Mayor	5,000 (1)
Douglas Hogate	Committeeman	5,000 (1)
Elizabeth Wallender	Tax Collector and Tax Search Officer	1,000,000
Ida Forrest	Deputy Collector	\$1,000 Deductible
John Willadsen	Chief Financial Officer	25,000 (A)
Marty Uzdancovics	Township Clerk, Officer for Municipal Improvement Searches and Registrar of Vital Statistics	5,000 (1)
Marie Procacci	Assessor	
Andy Hoglen	Construction Code Official and Zoning Officer	5,000 (1)
Niki Arbittier	Solicitor	
Michel Khairzada	Emergency Management Coordinator	
George May	Deputy Emergency Management Coordinator	
Albert Fralinger, Jr.	Engineer	
Ned Shimp, Jr.	Dog License Registrar	5,000 (1)

(A) Henry D. Young Inc. Insurance Agency

(1) Public Employee Dishonesty Bond

# NIGHTLINGER, COLAVITA & VOLPA

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance – regulatory basis of the various funds of the Township of Elsinboro, in the County of Salem, State of New Jersey, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues – regulatory basis for the years then ended, statement of expenditures – regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Elsinboro, in the County of Salem, State of New Jersey, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the various funds of the Township of Elsinboro, in the County of Salem, State of New Jersey as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues – regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2021 and 2020, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

### ***Other Information***

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2022, on our consideration of the Township of Elsinboro's, in the County of Salem, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Elsinboro's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A.  
Registered Municipal Accountant  
November 7, 2022

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

### **INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Elsinboro, County of Salem, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 7, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Elsinboro's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any material deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township of Elsinboro's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### ***Purpose of this Report***

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A.  
Registered Municipal Accountant  
November 7, 2022



CURRENT FUNDCOMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCEREGULATORY BASIS

	<u>Ref.</u>	<u>Balance December 31, 2021</u>	<u>Balance December 31, 2020</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Chief Financial Officer	A-4	\$ 1,658,330.61	\$ 1,408,041.64
		<u>1,658,330.61</u>	<u>1,408,041.64</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	51,132.44	56,847.68
Tax Title Liens Receivable	A-7	136,190.20	130,880.36
Property Acquired for Taxes - Assessed Valuation	A-9	131,400.00	131,400.00
Revenue Accounts Receivable	A-10	156.19	304.00
Interfunds Receivable	A-11	10,790.11	9,901.43
		<u>329,668.94</u>	<u>329,333.47</u>
		<u>1,987,999.55</u>	<u>1,737,375.11</u>
Federal and State Grant Fund:			
Amount Due from Current Fund	A-11	98,344.17	38,950.85
State Grants Receivable	A-17	7,843.67	5,689.96
		<u>106,187.84</u>	<u>44,640.81</u>
		<u>\$ 2,094,187.39</u>	<u>\$ 1,782,015.92</u>



CURRENT FUNDCOMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCEREGULATORY BASIS

		Balance December 31, 2021	Balance December 31, 2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
	<u>Ref.</u>		
Regular Fund			
Liabilities			
Appropriation Reserves	A-3,13	\$ 91,706.18	\$ 71,806.57
Encumbrances Payable	A-20	10,370.09	8,415.74
Prepaid Taxes	A-5	51,744.45	50,979.51
Due to State of New Jersey For Senior Citizen And Veterans Tax Exemptions	A-8	4,979.33	4,979.33
Amount Due to Grant Fund	A-11	98,344.17	38,950.85
Amount Due to General Capital Fund	A-11	347,448.59	231,720.02
Amount Due to Trust Other Fund	A-11	10,965.32	9,379.79
Due to LAC Township	A-12	565.50	608.00
Tax Overpayments	A-14	8,069.55	18,220.48
Local District School Taxes Payable	A-15	477,831.68	477,831.68
County Tax Payable	A-16	9.99	
Reserve for Sale of Municipal Assets		2,000.00	2,000.00
Miscellaneous Accounts Payable	A-1	74.43	
Total Liabilities		1,104,109.28	914,891.97
Reserve for Receivables and Other Assets	A	329,668.94	329,333.47
Fund Balance	A-1	554,221.33	493,149.67
		1,987,999.55	1,737,375.11
Federal and State Grant Fund			
Reserve for State Grants - Unappropriated	A-18	3,123.97	25,680.69
Reserve for State Grants - Appropriated	A-19	101,417.87	18,960.12
Encumbrances Payable	A-19	1,646.00	
		106,187.84	44,640.81
		\$ 2,094,187.39	\$ 1,782,015.92

CURRENT FUNDCOMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCEREGULATORY BASIS

	Ref.	Year 2021	Year 2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 241,710.00	\$ 226,710.00
Miscellaneous Revenue Anticipated	A-2	226,302.94	127,154.00
Receipts from Delinquent Taxes	A-2	67,227.42	54,722.55
Receipts from Current Taxes	A-2	3,236,856.26	3,180,345.38
Non-Budget Revenue	A-2	58,695.01	49,681.30
Other Credits to Income			
Statutory Excess in Animal Control Fund	A-11	686.88	457.95
Interfunds Returned			2,534.98
Unexpended Balance of Appropriation Reserves	A-13	71,806.57	65,926.15
Cancellation of Encumbrances Payable			204.50
Total Income		3,903,285.08	3,707,736.81
<u>Expenditures</u>			
Budget and Emergency Appropriations			
Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	97,223.84	72,553.10
Other Expenses	A-3	491,564.00	500,896.00
Deferred Charges and Statutory Expenditures	A-3	11,069.84	11,922.16
Appropriations Excluded from "CAPS":			
Operations:			
Other Expenses	A-3	105,644.86	9,155.00
Capital Improvements	A-3	45,000.00	42,000.00
Interfund Advanced	A-11	888.68	
Cancellation of Grants	A-11	928.95	
Local District School Taxes	A-15	1,553,736.00	1,553,736.00
County Taxes	A-16	1,283,775.97	1,253,145.56
County Taxes - Added	A-16	1,300.65	4,229.44
Refund of Prior year Revenue	A-4	9,370.63	
Total Expenditures		3,600,503.42	3,447,637.26
Excess in Revenue		302,781.66	260,099.55
Fund Balance, January 1	A	493,149.67	459,760.12
		795,931.33	719,859.67
Decreased by			
Utilization of Anticipated Revenue	A-2	241,710.00	226,710.00
Fund Balance, December 31	A	\$ 554,221.33	\$ 493,149.67

CURRENT FUNDSTATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 241,710.00	\$ 241,710.00	\$
Miscellaneous Revenues:				
Licenses - Alcoholic Beverage	A-10	1,104.00	1,104.00	
Energy Receipts Tax (P.L. 1987 Ch. 162 & 167)	A-10	114,917.00	114,917.00	
Garden State Trust	A-10	4,609.00	7,098.00	2,489.00
Municipal Alliance on Alcoholism and Drug Abuse	A-17	1,843.67	1,843.67	
American Rescue Plan	A-17	50,659.58	50,659.58	
2021 Sustainable Communities Grant	A-17	10,000.00	10,000.00	
Clean Communities Program	A-17	4,000.00	4,000.00	
FEMA Performance Grant	A-17	10,000.00	10,000.00	
Salem County Cultural and Heritage Commission Historical Grant	A-17	1,000.00	1,000.00	
Reserve for JIF Health & Wellness Incentive	A-17	159.69	159.69	
Reserve for JIF Safety Incentive Grant	A-17	5,005.00	5,005.00	
Reserve for JIF Cyber Risk Program	A-17	516.00	516.00	
N.J Salem County Health & Wellness Fund	A-17	20,000.00	20,000.00	
Total Miscellaneous Revenue	A-1	223,813.94	226,302.94	2,489.00
Receipts from Delinquent Taxes	A-2(2)	34,734.00	67,227.42	32,493.42
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-2	466,211.76	614,010.80	147,799.04
Budget Totals	A-3	\$ 966,469.70	1,149,251.16	\$ 182,781.46
Non-budget Revenue	A-1		58,695.01	
			\$ 1,207,946.17	

CURRENT FUNDSTATEMENT OF REVENUES - REGULATORY BASIS

<u>Analysis of Realized Revenues</u>	<u>Ref.</u>		
Allocation of Current Tax Collections			
Revenue from Collections	A-6,2	\$	3,236,856.26
Allocated to			
County and School Taxes	A-15,16		2,838,812.62
			<hr/>
Balance for Support of Municipal Budget Appropriations			398,043.64
			<hr/>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		215,967.16
			<hr/>
Amount for Support of Municipal Budget Appropriations	A-2	\$	614,010.80
			<hr/> <hr/>
Receipts from Delinquent Taxes			
Delinquent Tax Collections	A-6,2	\$	51,241.45
Tax Title Lien Collections	A-7		15,985.97
	A-1,2	<hr/>	<hr/>
		\$	67,227.42
			<hr/> <hr/>
<u>Analysis of Non-Budget Revenue</u>			
Miscellaneous Revenue Not Anticipated:			
Revenue Accounts Receivable:			
Treasurer	A-10		58,488.58
Tax Collector	A-10		-
Interest Earned - Interfunds	A-11	\$	206.43
	A-1	<hr/>	<hr/>
		\$	58,695.01
			<hr/> <hr/>

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISOPERATIONS WITHIN "CAPS"GENERAL GOVERNMENT

## General Administration:

## Other Expenses

## Financial Administration (Treasury):

## Salaries and Wages

## Other Expenses

## Township Clerk:

## Salaries and Wages

## Other Expenses

## Mayor and Committee:

## Salaries and Wages

## Other Expenses

## Audit Services:

## Other Expenses

## Assessment of Taxes:

## Salaries and Wages

## Miscellaneous Other Expenses

## Revenue and Administration (Tax Collection):

## Salaries and Wages

## Other Expenses

## Liquidation of Tax Title Liens and Foreclosed Property

## Other Expenses

## Legal Services and Costs:

## Other Expenses

## Engineering Services and Costs:

## Other Expenses

## Liabilities and Worker's Compensation

## Insurance - (N.J.S.A. 40A: 4-45.3)

## Liability and Workers Compensation Insurance

## Municipal Land Use Law (N.J.S.A. 40A:55D-1):

## Planning Board:

## Salaries and Wages

## Other Expenses

	Budget	Budget After Modification	Paid or Charged	Reserved
\$	3,500.00 \$	3,500.00 \$	3,185.71 \$	314.29
	11,753.00	11,753.00	11,742.00	11.00
	900.00	900.00	150.00	750.00
	1,000.00	1,000.00		1,000.00
	23,000.00	23,000.00	21,073.21	1,926.79
	17,628.00	17,628.00	17,618.00	10.00
	6,750.00	6,750.00	1,053.20	5,696.80
	26,760.00	26,760.00	26,740.00	20.00
	12,630.00	12,630.00	12,619.00	11.00
	1,500.00	1,500.00	75.00	1,425.00
	23,471.00	23,471.00	21,836.89	1,634.11
	7,500.00	7,500.00	5,417.80	2,082.20
	4,500.00	4,500.00		4,500.00
	8,000.00	8,000.00	6,712.00	1,288.00
	6,500.00	6,500.00	3,488.20	3,011.80
	35,604.00	35,604.00	34,383.00	1,221.00
	1,211.00	1,211.00	100.00	1,111.00
	6,000.00	6,000.00		6,000.00

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISOPERATIONS WITHIN "CAPS" (Continued)GENERAL GOVERNMENT (Continued)

Zoning Commission:					
Salaries and Wages	\$	2,835.60	\$	2,835.60	\$ 11.60
Other Expenses		50.00		50.00	50.00
Public Building and Grounds:					
Salaries and Wages		4,054.00		4,054.00	2,279.80
Other Expenses		20,000.00		20,000.00	5,296.78

PUBLIC SAFETY

Fire:					
Aid to Volunteer Fire Company		35,400.00		35,400.00	
Police:					
Salaries and Wages		2,235.00		2,235.00	63.00
Other Expenses - Contractual		112,000.00		112,000.00	6,411.00
Emergency Management:					
Salaries and Wages		4,692.00		4,692.00	10.00
Other Expenses		700.00		700.00	700.00

STREET AND ROADS

Road Repairs and Maintenance:					
Other Expenses		22,000.00		22,000.00	12,840.42
Street Lighting:					
Other Expenses		21,000.00		21,000.00	1,060.85

SANITATION

Sanitary Landfill:					
Other Expenses		33,400.00		33,400.00	3,768.89
Solid Waste Collection:					
Other Expenses - Contractual		68,000.00		68,000.00	13,914.00
Recycling Program:					
Other Expenses		37,000.00		37,000.00	6,146.14

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISOPERATIONS WITHIN "CAPS" (Continued)HEALTH AND WELFARE

## Board of Health:

Salaries and Wages  
Other Expenses

## Dog Regulation - Animal Control:

Salaries and Wages  
Other Expenses

## Uniform Construction Code - Appropriations Offset by

## Dedicated Revenues (N.J.A.C. 5:23-4.17):

## State Uniform Construction Code

## Construction Code Official:

Salaries and Wages  
Other Expenses

## Total Operations Within "CAPS"

	Budget	Budget After Modification	Paid or Charged	Reserved
\$	654.00 \$	654.00 \$	594.00 \$	60.00
	9,000.00	9,000.00	6,718.00	2,282.00
	15,060.24	15,060.24	14,986.00	74.24
	2,500.00	2,500.00	1,299.31	1,200.69
\$	588,787.84 \$	588,787.84 \$	500,605.44 \$	88,182.40

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASIS

	Budget	Budget After Modification	Paid or Charged	Reserved
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>				
Detail:				
Salaries and Wages	\$ 97,223.84	\$ 97,223.84	\$ 90,948.09	\$ 4,631.64
Other Expenses (Incl. Contingent)	491,564.00	491,564.00	409,657.35	81,906.65
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>				
Deferred Charges:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	2,600.00	2,600.00	2,600.00	
Social Security System (O.A.S.I.)	8,469.84	8,469.84	6,946.06	1,523.78
Total Deferred Charges and Statutory Expenditures - Municipal Within "Caps"	11,069.84	11,069.84	9,546.06	1,523.78
Total General Appropriations for Municipal Purposes Within "CAPS"	\$ 599,857.68	\$ 599,857.68	\$ 510,151.50	\$ 89,706.18



**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**OPERATIONS EXCLUDED FROM "CAPS"**

Declared State of Emergency Costs for Snow Removal - NJS 40A:4-45.45(b)  
 and NJS 40A:4-45.3(bb)

Other Expenses

Public and Private Programs Offset by Revenues:

Local Matching Share for State and Local Grants

American Rescue Plan

2021 Sustainable Communities Grant

Clean Communities Grant - Contractual

Reserve for JIF Safety Incentive Grant

Reserve for JIF Health & Wellness Incentive Program

Municipal Alliance for Drug Free N.J.

Reserve for JIF Cyber Risk Program

N.J Salem County Health & Wellness Fund

FEMA Performance Grant

Salem County Cultural and Heritage Commission Historical Grant

Total Public and Private Programs Offset By Revenues

Total Operations Excluded from "CAPS":

Detail:

Other Expenses

CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"

Capital Improvement Fund

Total Capital Improvements - Excluded from "CAPS"

Deferred Charges and Statutory Expenditures

Deferred Charges:

Special Emerg. Auth-5 years (NJS 40A:4-55)

Total Deferred Charges

	Budget	Budget After Modification	Paid or Charged	Reserved
	\$	\$	\$	\$
	2,000.00	2,000.00		2,000.00
	50,659.58	50,659.58	50,659.58	
	10,000.00	10,000.00	10,000.00	
	4,000.00	4,000.00	4,000.00	
	5,005.00	5,005.00	5,005.00	
	159.69	159.69	159.69	
	2,304.59	2,304.59	2,304.59	
	516.00	516.00	516.00	
	20,000.00	20,000.00	20,000.00	
	10,000.00	10,000.00	10,000.00	
	1,000.00	1,000.00	1,000.00	
	105,644.86	105,644.86	103,644.86	2,000.00
	105,644.86	105,644.86	103,644.86	2,000.00
	105,644.86	105,644.86	103,644.86	2,000.00
	45,000.00	45,000.00	45,000.00	
	45,000.00	45,000.00	45,000.00	
	\$	\$	\$	\$

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASIS

	Budget	Budget After Modification	Paid or Charged	Reserved
Total General Appropriations Excluded from "CAPS"	\$ 150,644.86 \$	150,644.86 \$	148,644.86 \$	2,000.00
Subtotal General Appropriations	750,502.54	750,502.54	658,796.36	91,706.18
Reserve for Uncollected Taxes	215,967.16	215,967.16	215,967.16	
Total General Appropriations	\$ 966,469.70 \$	966,469.70 \$	874,763.52 \$	91,706.18
		A-2	A-1	A:A-1
Paid or Charged				
Reserve for Uncollected Taxes			\$ 215,967.16	
Disbursed			499,781.41	
Capital Improvement Fund			45,000.00	
Township Matching Share on Grants			460.92	
Federal and State Grants			103,183.94	
Encumbrances Payable			10,370.09	
			\$ 874,763.52	

Ref.

A-2(2)  
A-4  
A-11  
A-11, 19  
A-19  
A-20

TRUST FUNDCOMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCEREGULATORY BASIS

	Ref.	Balance December 31, 2021	Balance December 31, 2020
<u>ASSETS</u>			
Animal Control Fund			
Cash - Dog Registrar	B-1	\$ 1,214.31	\$ 361.74
Due from State of NJ		5,979.29	5,979.29
		<u>7,193.60</u>	<u>6,341.03</u>
Trust Other Fund			
Cash	B-1	26,652.76	7,658.13
Amount Due from Current Fund	B-2	10,965.32	9,379.79
		<u>37,618.08</u>	<u>17,037.92</u>
		<u>\$ 44,811.68</u>	<u>\$ 23,378.95</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund			
Due to Current Fund	B-2	\$ 4,922.20	\$ 4,039.55
Due to NJ Dept. of Health	B-5	115.20	69.00
Reserve for Dog License Fund Expenditures	B-3	2,156.20	2,232.48
		<u>7,193.60</u>	<u>6,341.03</u>
Other Trust Funds			
Reserve for Unemployment Compensation			
Insurance Benefits	B-4	1,969.61	3,466.85
Reserve for Planning Board Escrow Deposits	B-6	10,360.53	8,770.37
Tax Title Lien Redemptions	B-7	400.00	400.00
Reserve for Tax Sale Premium Account	B-8	22,750.00	2,250.00
Reserve for Donations	B-9	2,137.94	2,150.70
		<u>37,618.08</u>	<u>17,037.92</u>
		<u>\$ 44,811.68</u>	<u>\$ 23,378.95</u>

GENERAL CAPITAL FUNDCOMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCEREGULATORY BASIS

	Ref.	Balance December 31, 2021	Balance December 31, 2020
<u>ASSETS</u>			
Amount Due from Current Fund	C-4	\$ 347,448.59	\$ 231,720.02
N.J. Transportation Trust Authority Act Receivable	C-6	113,146.87	180,696.62
		<u>\$ 460,595.46</u>	<u>\$ 412,416.64</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Fund Balance	C-1	\$ 7,843.25	\$ 7,843.25
Accounts Payable	C-2	675.00	675.00
Capital Improvement Fund	C-3	151,658.83	136,658.83
Improvement Authorizations - Funded	C-5	300,418.38	267,239.56
		<u>\$ 460,595.46</u>	<u>\$ 412,416.64</u>

GENERAL CAPITAL FUND  
SCHEDULE OF FUND BALANCE

	<u>Ref.</u>	
Balance, December 31, 2020 and 2021	C	\$ 7,843.25
		<u><u>7,843.25</u></u>

PAYROLL ACCOUNTCOMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>Balance December 31, 2021</u>	<u>Balance December 31, 2020</u>
<u>ASSETS</u>			
Cash	E-1	\$ 28,480.65	\$ 21,362.75
<u>LIABILITIES</u>			
Amount Due To Current Fund	E-1	5,867.91	5,861.88
Payroll Deductions Payable	E-1	22,612.74	15,500.87
		\$ 28,480.65	\$ 21,362.75

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

1. **Summary of Significant Accounting Policies**

A. Reporting Entity

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

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

The financial statements do not contain any component units of the Township of Elsinboro, as defined by Governmental Accounting Standard Board State No. 14, since none exist at December 31, 2021.

B. Description of Funds

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

B. Description of Funds - Continued

Account Group - In addition to the funds listed above, the Township maintains one account group, which is as follows:

General Fixed Assets Account Group - All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant of these policies in New Jersey follow:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures - are to be recorded on the "budgetary" basis of accounting. Generally, expenditures are required to be recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are required to be reported as a cash liability in the financial statements as encumbrances payable. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts, which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

C. Basis of Accounting - Continued

Property Tax Revenue - Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year. Delinquent taxes are considered fully collectable and, therefore, no allowance for uncollectable taxes is provided. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with statutes. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the entities that follow.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Elsinboro Township school district. Operations are charged for the full amount required to be raised from taxation to operate the school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting and remitting County taxes for the County of Salem. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 1 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

C. Basis of Accounting - Continued

Inventories of Supplies - 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.

General Fixed Assets - In accordance with Technical Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed asset accounting and reporting system.

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 and sidewalks and drainage systems are not capitalized. All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available, in accordance with the State of New Jersey's Technical Accounting Directive 85-2. However, land and improvements are recorded at their assessed value, which is a departure from the aforementioned directive.

Property acquired for taxes (foreclosed property) and by purchase are recorded in the Current Fund at the assessed valuation when such property is acquired or purchased and concurrently fully reserved.

No depreciation has been provided for in the financial statements.

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 has not been accounted for separately.

The construction of the building and the initial purchase of the furniture and equipment were provided through an emergency management grant from the State of New Jersey.

Tax Appeals and Other Contingent Losses - Losses, which arise from tax appeals, and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

D. Departures from Generally Accepted Accounting Principles

The accounting principles and practices followed by the Township of Elsinboro differ in some respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Over expended appropriations and emergency appropriations are deferred to the succeeding year's operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.
- No provision is made for accumulated vested vacation and sick leave.

It was not practicable to determine the effect of such differences.

E. Use of Estimates

In order for preparation of general-purpose financial statements to be in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Budgets and Budgetary Accounting

The Township of Elsinboro must adopt an annual budget in accordance with the **N.J.S.A. 40A: et al. N.J.S.A. 40A:4-5** requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for public hearing on the budget and must advertise the time and place in a newspaper published and circulated in the municipality at least 10 days prior to the hearing. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with **N.J.S.A. 40A:4-9**.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

F. Budgets and Budgetary Accounting - Continued

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

After November 1, budget transfers can be made in the form of a resolution and approved by the Township Committee. There were no material budget transfers in 2021.

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 budget of the succeeding year. Special Emergency Appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations approved in 2021.

G. Cash and Investments

New Jersey municipal units are required by **N.J.S.A.** 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management fund. **N.J.S.A.** 40A:5-15.1 provides a list of securities, which may be purchased by New Jersey municipal units.

The Governmental Unit Deposit Protection Act, P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-44 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31).

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

1. **Summary of Significant Accounting Policies** - Continued

G. Cash and Investments - Continued

No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of governmental unit(s) which, in the aggregate, exceed 75% of the addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking, within 20 days after the default occurrence, shall ascertain the amount of public funds on deposit in the defaulting depository and the amount covered by Federal Deposit Insurance, then certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units. If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30 and December 31, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so required may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Township should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

2. **Cash**

Custodial Credit Risk

All bank deposits and investments as of the balance sheet date are entirely insured or collateralized by a pool maintained by public depositories as required by the Governmental Unit Protection Act and are classified as credit risk.

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the districts deposits may not be returned to it. Although the district does not have a formal policy regarding custodial credit risk, as described in Note 1: **N.J.S.A.** 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act.

The Township Committee designates and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions. As of December 31, 2021, the Township's bank balance of \$1,828,675.34 was exposed to custodial credit risk as follows:

Insured - FDIC	\$ 500,000.00
Collateralized with securities held by pledging financial institutions	1,328,675.34
	<u>\$ 1,828,675.34</u>

3. **Pension Plans**

**Description of Plans** – Eligible employees of the Township can be covered by Public Employees' Retirement System (PERS), Police and Firemen's Retirement System (PFRS), or Defined Contribution Retirement Program (DCRP). PERS and PFRS are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

**3. Pension Plans** - Continued

**Public Employees' Retirement System (Continued)**

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are 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.

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2020 was 7.5% of base salary. The Township employee's contributions for the year ended December 31, 2021 were \$2,017. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2021 is 13.69% of covered payroll. The Township is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the Township and equal to the required contributions for each year. The Township's contributions to PERS for the years ended December 31, 2021, and 2020 were \$2,600 and \$3,650 respectively.

The total payroll for the year ended December 31, 2021 was \$90,798. Payroll covered by PERS was \$27,036.

**Components of Net Pension Liability** - At December 31, 2021, the Township's proportionate share of the PERS net pension liability was \$38,758. The net pension liability was measured as of June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020 was 0.000238% which was a decrease of 0.000138% from its proportion measured as of June 30, 2019.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

3. **Pension Plans** - Continued

**Public Employees' Retirement System (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources** - The Township's 2021 PERS pension expense, with respect to GASB 68, was (\$18,555). The Township's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 706	\$ 137
Changes of assumptions	1,257	16,228
Net difference between projected and actual earnings on pension plan investments	1,325	
Changes in proportion	5,540	53,916
Total	<u>\$ 8,828</u>	<u>\$ 70,281</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods pension expense as follows:

Year	PERS
2021	\$ (25,698)
2022	(20,870)
2023	(7,554)
2024	(6,207)
2025	(1,124)
Thereafter	
Total	<u>\$ (61,453)</u>

**Additional Information** - Collective Balances at December 31, 2021 and 2020 are as follows:

Year	2021	2020
Collective deferred outflows of resources	\$ 8,828	\$ 15,582
Collective deferred inflows of resources	\$ 70,281	\$ 69,335
Collective Net Pension Liability	\$ 38,758	\$ 67,613
Township's Proportion	0.000238%	0.000375%



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

**3. Pension Plans** - Continued

**Public Employees' Retirement System (Continued)**

**Actuarial Assumptions** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>PERS</b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020. The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

3. **Pension Plans** - Continued

**Public Employees' Retirement System (Continued)**

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

PERS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

3. **Pension Plans** – Continued

**Public Employees' Retirement System (Continued)**

**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, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 49,173	\$ 38,758	\$ 30,483

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**  
**(CONTINUED)**

**3. Pension Plans - Continued**

		<b>SUPPLEMENTARY PENSION INFORMATION</b>									
		<b>Schedule of the Township's Proportionate Share of the Net Pension Liability</b>									
		<b>Public Employees' Retirement System (PERS)</b>									
		<b>Last Ten Fiscal Years*</b>									
		2020	2019	2018	2017	2016	2015	2014	2013		
Township's Proportion of the Net Pension Liability		0.000238%	0.000375%	0.000337%	0.000581%	0.000578%	0.000737%	0.000725%	0.000734%		
Township's Proportionate Share of the Net Pension Liability	\$	38,758	\$ 67,613	\$ 66,313	\$ 135,239	\$ 171,191	\$ 165,331	\$ 135,654	\$ 140,268		
Township's Covered-Employee Payroll	\$	26,896	\$ 26,896	\$ 27,012	\$ 34,846	\$ 40,322	\$ 39,843	\$ 45,221	\$ 50,762		
Township's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll		144.10%	251.39%	245.49%	388.10%	424.56%	414.96%	299.98%	276.32%		
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%		

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**  
**(CONTINUED)**

**3. Pension Plans** - Continued

<b><u>SUPPLEMENTARY PENSION INFORMATION</u></b>									
<b><u>Schedule of Township Contributions</u></b>									
<b><u>Public Employees' Retirement System (PERS)</u></b>									
<b><u>Last Ten Fiscal Years*</u></b>									
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
Contractually Required Contribution	\$ 2,600	\$ 3,650	\$ 3,350	\$ 5,382	\$ 5,135	\$ 6,332	\$ 5,973	\$ 5,530	
Contributions in relation to the Contractually Required Contribution	(2,600)	(3,650)	(3,350)	(5,382)	(5,135)	(6,332)	(5,973)	(5,530)	
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	
Township's Covered-Employee Payroll	\$ 26,896	\$ 26,896	\$ 27,012	\$ 34,846	\$ 40,322	\$ 39,843	\$ 45,221	\$ 50,762	
Contributions as a Percentage of Covered-Employee Payroll	9.67%	13.57%	12.40%	15.45%	12.73%	15.89%	13.21%	10.89%	

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

4. **Long-Term Debt**

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 no net debt.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	<u>None</u>	<u>None</u>	<u>None</u>

Equalized Valuation Basis:

2019	\$ 103,350,949
2020	104,217,757
2021	<u>105,742,074</u>
Average	\$ <u>104,436,927</u>

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$3,655,292
Net Debt	<u>- 0 -</u>
Remaining Borrowing Power	<u>\$3,655,292</u>

Summary of Municipal Debt

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General:			
Bonds and Notes	None	None	None
<u>Authorized but Not Issued:</u>			
General:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Net of Bonds and Notes Issued and Authorized but Not Issued	<u>None</u>	<u>None</u>	<u>None</u>

5. **Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, there were no deferred charges on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

6. **Fund Balances Appropriated**

Of the \$554,221.33 Current Fund balance at December 31, 2021, \$237,100.00 was appropriated and included as anticipated revenue in the adopted budget for the year ending December 31, 2022.

7. **Taxes Collected in Advance**

Taxes collected in advance, set forth as cash liabilities in the financial statements, are as follows:

	Balance December <u>31, 2021</u>	Balance December <u>31, 2020</u>
Prepaid Taxes	<u>\$51,744.45</u>	<u>\$50,979.51</u>

8. **Leases**

The Township has not entered into any long-term lease agreements.

9. **Accrued Sick and Vacation Benefits**

The Township does not accrue unused vacation and sick pay for financial statement and budget purposes. Employees are, however, allowed to carry unused sick and vacation benefits. Each November, employees generally are reimbursed for their respective unused sick time. The sick and vacation pay accrual for the current period, which relates to the remaining unfunded sick and vacation pay after November is not considered material.

10. **Contingent Liabilities**

As per confirmation from the Township's solicitor, no contingent liabilities of a material amount were noted.

The responsibility to maintain a dike that is located on private property does not appear to be the Township's.

There is a verified complaint against the Township as co-defendant, regarding a dispute concerning a boat ramp which the Township does not own but regulates its use through local ordinance. The likely outcome is not known at this time, but a Case Management Conference has been requested with the Judge and participation of all parties. The Joint Insurance Fund is handling this matter.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

**11. Comparative Schedule of Operations and Change in Fund Balance in Current Fund**

	Year 2021		Year 2020	
	Amount	%	Amount	%
<u>Revenue and Other Income</u>				
Fund Balances Utilized	\$ 241,710.00	6.19%	\$ 226,710.00	6.11%
Miscellaneous - From Other than				
Local Property Tax Levies	357,491.40	9.16%	245,958.88	6.63%
Collection of Delinquent Taxes				
and Tax Title Liens	67,227.42	1.72%	54,721.55	1.48%
Collection of Current Tax Levy	3,236,856.26	82.93%	3,180,345.38	85.78%
Total Income	3,903,285.08	100.00%	3,707,735.81	100.00%
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	761,690.80	21.16%	636,525.26	18.46%
County Taxes	1,285,076.62	35.69%	1,257,375.00	36.47%
Local School Taxes	1,553,736.00	43.15%	1,553,736.00	45.07%
Other Expenditures		0.00%		0.00%
Total Expenditures	3,600,503.42	100.00%	3,447,636.26	100.00%
Excess in Revenue	302,781.66		260,099.55	
Fund Balance, January 1	493,149.67		459,760.12	
	795,931.33		719,859.67	
Less:				
Utilization as Anticipated Revenue	241,710.00		226,710.00	
Fund Balance, December 31	\$ 554,221.33		\$ 493,149.67	



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

**12. Local District School Tax**

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. In the case of Elsinboro Township, \$776,868 is the maximum amount permitted to be deferred as of December 31, 2021, under those regulations. The Township, in prior years, elected to defer school taxes and the accumulation of such deferrals is \$299,185.50. As of December 31, 2021, the Township committee elected to keep the balance at \$299,185.50.

Local District School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

		Local District School Tax Balance, December 31	
		2021	2020
Balance of Tax	\$	777,017.18	\$ 777,017.18
Deferred		299,185.50	299,185.50
Taxes Payable	\$	<u>477,831.68</u>	<u>\$ 477,831.68</u>

**13. Comparison of Tax Levies and Collections 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 probably increase in future tax levies.

		Currently	
Year	Tax Levy	Cash Collections	Percent of Collections
2021	\$ 3,307,277.83	\$ 3,236,856.26	97.87%
2020	3,273,946.62	3,180,345.38	97.14%
2019	3,241,088.29	3,155,587.15	97.36%

**14. Comparative Schedule of Tax Rate Information**

	2021	2020
Tax Rate	\$ 2.856	\$ 2.822
Apportionment of Tax Rate:		
Municipal	0.403	0.394
County	1.110	1.084
Local School	1.343	1.344
Assessed Valuation	\$ 116,234,741	\$ 115,657,940

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

**15. 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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2021	\$ 136,190.20	\$ 51,132.44	\$ 187,322.64	5.66%
2020	130,880.36	53,005.38	183,885.74	5.62%
2019	108,205.71	25,364.01	133,569.72	4.12%

**16. 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 property, was as follows:

Year	Amount
2021	\$ 131,400
2020	131,400
2019	131,400

**17. Comparative Schedule of Fund Balance**

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2021	\$ 554,221.33	\$ 237,100.00
	2020	493,149.67	241,710.00
	2019	459,760.12	226,710.00
	2018	431,677.27	214,375.00
	2017	393,373.97	214,375.00

**18. Risk Management**

The Township is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds.

**19. Subsequent Events**

There were no material events between December 31, 2021 and November 7, 2022 affecting the financial status of the Township of Elsinboro.

**End of Notes to Financial Statements**

## **SUPPLEMENTARY DATA**

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

## TOWNSHIP OF ELSINBORO

## COUNTY OF SALEM

## FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Grant Number	Grant Award Amount	Matching Contribution	Grant Period From To	Cash Receipts	Receipts or Revenue Recognized	2021 Budget Appropriations	Cancelled		Disbursements		Balance December 31, 2021	
										A/R	Reserve	A/R	Reserve	A/R	Reserve
FEMA Performance Grant	N/A	N/A	N/A	200,000		1/1/21 Closing	\$	\$	10,000	\$	\$	10,000	\$	\$	\$
							\$	\$	10,000	\$	\$	10,000	\$	\$	\$

The amounts shown as expenditures on this schedule versus Exhibit A-3 are different because Exhibit A-3 charges off the entire grant amount from the Current Fund Operating Budget into the Federal and State Grant Fund.

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**TOWNSHIP OF ELSINBORO**

**COUNTY OF SALEM**

State Grantor/ Program Title	State Grant Award No.	Grant Award		Grant Period		Balance December 31, 2020		Receipts or Revenue Recognized	2021 Receipts Revenues	2021 Budget Appropriations	Disbursements/ Expenditures	Cancelled	Balance December 31, 2021	
		State	Local	From	To	A/R	Reserve						A/R	Reserve
Department of Community Affairs														
Clean Communities Program	N/A	\$ 4,000.00	\$	1/1/20	12/31/20	\$	\$ 4,000.00	\$	\$	\$ 4,000.00	\$ 1,646.00	\$	\$	\$ 6,354.00
Clean Communities Program	N/A	4,000.00		1/1/19	12/31/19		4,000.00				1,349.12			2,650.88
Clean Communities Program	N/A	4,000.00		1/1/18	12/31/18		1,101.88				1,101.88			
Municipal Alliance on Alcohol & Drugs	N/A	1,843.67	460.95	1/1/21	12/31/21			1,843.67	948.74	2,304.59	2,063.96		1,843.67	240.63
Municipal Alliance on Alcohol & Drugs	N/A	2,524.00	631.00	1/1/20	12/31/20	2,524.00	2,662.77					4,238.03		
Municipal Alliance on Alcohol & Drugs	N/A	3,819.14	895.86	1/1/19	12/31/19	3,165.96	1,149.50					4,315.46		
NJ Forest Service Community: Forestry Grant	N/A	3,000.00		1/1/15	12/31/15		3,000.00							3,000.00
NJ Smalls Program	N/A	1,000.00		1/1/13	12/31/13		1,130.76							1,130.76
REA Grant Program	N/A	4,000.00		1/1/11	12/31/11		547.00							547.00
American Rescue Plan	N/A	50,659.58		1/1/21	12/31/22			50,659.58	50,659.58	50,659.58				50,659.58
Sustainable Communities Grant	N/A	10,000.00		1/1/21	12/31/21			10,000.00	5,000.00	10,000.00			5,000.00	10,000.00
Reserve for Community Foundation	N/A	20,000.00		1/1/21	12/31/21					20,000.00				20,000.00
Salem Co. Health & Wellness Fund	N/A													
Salem Co. Cultural & Heritage	N/A	1,000.00		1/1/21	12/31/21			1,000.00		1,000.00			1,000.00	1,000.00
Commission Historical Grant	N/A													
						\$ 5,689.96	\$ 17,591.91	\$ 63,503.25	\$ 56,608.32	\$ 87,964.17	\$ 6,160.96	\$ 8,553.49	\$ 7,843.67	\$ 95,582.85

**TOWNSHIP OF ELSINBORO**

**COUNTY OF SALEM**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

NONE

TOWNSHIP OF ELSINBOROSCHEDULE OF CASH AND INVESTMENTS PER N.J.S.A. 40A:5-5FOR THE PERIOD DECEMBER 31, 2021 TO APRIL 30, 2022

	<u>Tax Collector</u>	<u>Current Fund</u>	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>	<u>Payroll</u>
Balance, December 31, 2021	\$	\$ 1,658,330.61	\$ 1,214.31	\$ 26,652.76	\$ 28,480.65
Increased by:					
Cash Receipts Record	985,393.34	1,051,089.83	642.00	150,386.72	24,167.20
Decreased by:					
Cash Disbursements Record	985,393.34	2,709,420.44	1,856.31	177,039.48	52,647.85
Balance, April 30, 2022	\$ -	\$ 1,565,683.53	\$ 1,856.31	\$ 57,657.53	\$ 11,049.06
Balance on Deposit per Certification of: Franklin Bank Fulton Bank	\$ 105,151.82	\$ 1,424,458.80	\$ 4,931.67	\$ 3,343.91 76,055.09	\$ 9,947.69
Deposits in Transit	37,124.83	175,515.22		28.21	1,101.37
Less: Outstanding Checks	142,276.65	34,290.49	3,075.36	21,769.68	
Balance, April 30, 2022	\$ -	\$ 1,565,683.53	\$ 1,856.31	\$ 57,657.53	\$ 11,049.06

CURRENT FUNDSCHEDULE OF CASH - CHIEF FINANCIAL OFFICER

	<u>Ref.</u>		
Balance, December 31, 2020	A	\$	1,408,041.64
Increased by Receipts			
Collector	A-5	\$	3,282,447.69
State's Share of Senior Citizens and Veterans Deductions Allowed	A-8		12,250.00
Miscellaneous Accounts Payable	A		74.43
Revenue Accounts Receivable	A-10		181,607.58
Interfunds Receivable	A-11		298,032.04
Amount Due from LAC Township	A-12		481.50
Total Receipts			<u>3,774,893.24</u>
			<u>5,182,934.88</u>
Decreased by Disbursements			
2021 Appropriations	A-3		499,781.41
Interfund Payable	A-11		167,709.86
Amount Due to LAC Township	A-12		524.00
Local District School Taxes	A-15		1,553,736.00
County Taxes	A-16		1,285,066.63
Encumbrance Payable	A-20		8,415.74
Refund of Prior Year Revenue	A-1		9,370.63
Total Disbursements			<u>3,524,604.27</u>
Balance, December 31, 2021	A	\$	<u><u>1,658,330.61</u></u>



CURRENT FUNDSCHEDULE OF CASH - COLLECTOR

	<u>Ref.</u>		
Balance, December 31, 2020	A	\$	-
Increased by:			
Taxes Receivable	A-6	\$	3,214,717.27
Taxes Title Liens Receivable	A-7		15,985.97
2022 Taxes Prepaid	A		51,744.45
			<hr/>
			3,282,447.69
			<hr/>
			3,282,447.69
Decreased by:			
Payments to Chief Financial Officer	A-4		3,282,447.69
			<hr/>
Balance, December 31, 2021	A	\$	-
			<hr/> <hr/>

CURRENT FUNDSCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance December 31, 2020	2021 Levy	Collections by Cash		State Share of Senior Citizens And Veterans Deductions	Cancellations	Transfer to Tax Title Lien	Tax Overpayments	Balance December 31, 2021
			2020	2021					
2019	\$ 685	\$	\$	\$	\$	\$	\$	\$	685.35
2020	56,162.33			51,241.45					4,920.88
	56,847.68			51,241.45					5,606.23
2021		3,307,277.83	50,979.51	3,163,475.82	12,250.00	3,599.55	21,295.81	(10,150.93)	45,526.21
	\$ 56,847.68	\$ 3,307,277.83	\$ 50,979.51	\$ 3,214,717.27	\$ 12,250.00	\$ 3,599.55	\$ 21,295.81	\$ (10,150.93)	\$ 51,132.44
Ref.	A	A-6	A	A-5	A-8		A-7	A-14	A

Analysis of 2021 Property Tax LevyRef.

Tax Yield	General Purpose Added Taxes	\$ 3,303,931.30	
		3,346.53	
Tax Levy		\$ 3,307,277.83	
Local District School Tax (Abstract)		1,553,736.00	
County Taxes			
County Tax		1,262,762.83	
Amount Due County Added Taxes		1,300.65	
Total County Taxes		1,264,063.48	
Local Tax for Municipal Purposes		466,211.76	
Add Additional Tax Levied		23,266.59	
		489,478.35	
		\$ 3,307,277.83	

CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance, December 31, 2020	A	\$	130,880.36
Increased by:			
Interest and Cost on Tax Sale of March 24, 2021		\$	
Transfer from Taxes Receivable	A-6	21,295.81	
			<u>21,295.81</u>
			152,176.17
Decreased by:			
Cash Collections	A-5		<u>15,985.97</u>
Balance, December 31, 2021	A	\$	<u><u>136,190.20</u></u>

CURRENT FUNDSCHEDULE OF AMOUNT DUE FROM STATE OF NEW JERSEYPER CHAPTER 1, P.L. 1971SENIOR CITIZEN AND VETERANS DEDUCTIONS

	<u>Ref.</u>		
Balance, December 31, 2020	A	\$	4,979.33
Increased by:			
Cash Received from the State	A-4		12,250.00
			<u>17,229.33</u>
Decreased by:			
Deductions per Original Billing:			
Senior Citizens		\$	1,250.00
Veterans			11,250.00
			<u>12,500.00</u>
Senior Citizens Deduction Allowed by Collector			(250.00)
	A-6		<u>12,250.00</u>
Balance, December 31, 2021	A	\$	<u><u>4,979.33</u></u>

CURRENT FUNDSCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

	<u>Ref.</u>		
Balance, December 31, 2020 and 2021	A	\$	<u><u>131,400.00</u></u>

CURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance December 31, 2020	Accrued in 2021	Collected by		Balance December 31, 2021
				Collector	Treasurer	
<u>Anticipated Revenues:</u>						
Clerk - Liquor License	A-2	\$	\$	1,104.00	\$	1,104.00
Energy Receipts Tax	A-2		114,917.00			114,917.00
Garden State Trust	A-2		7,098.00			7,098.00
<hr/>						
Total Anticipated Revenues			123,119.00		123,119.00	
<hr/>						
<u>Miscellaneous Revenue not Anticipated:</u>						
Planning Fees			300.00		300.00	
Zoning Fees			30.00		30.00	
Cable Television Franchise Fee			15,515.29		15,515.29	
Construction Code Fees		274.00	17,387.00		17,661.00	
Interest on Deposits			1,727.27		1,727.27	
Interest and Costs on Taxes			17,151.81		17,152	
Tax Search			20.00		20.00	
Senior Citizen Administration Fees			245.00		245.00	
Housing Fees		30.00	773.00		690.00	113.00
Registrar of Vital Statistics			2,394.00		2,394.00	
Trash Stickers			883.00		883.00	
Miscellaneous			1,914.40		1,871.21	43.19
<hr/>						
A-2		304.00	58,340.77		58,488.58	156.19
<hr/>						
		\$	181,459.77	\$	181,607.58	\$
		A		A-5	A-4	A
Ref.						

CURRENT FUNDSCHEDULE OF INTERFUNDS

	Ref.	Total	Grant Fund	Animal Control Fund	Trust Other Fund	General Capital Fund	Payroll Account
Balance, December 31, 2020	A	\$ (270,149.23)	\$ (38,950.85)	\$ 4,039.55	\$ (9,379.79)	\$ (231,720.02)	\$ 5,861.88
Increased by							
General Capital Expenditures paid by Current Fund	A-4	149,821.18				149,821.18	
Grant Appropriated Reserve Expenditures	A-4, 19	15,728.84	15,728.84				
Escrow Payments from Current Fund	A-4	2,159.84			2,159.84		6.03
Interest Earned	A-2 (2)	206.43		195.77	4.63		
Statutory Excess in Dog License Fund	A-1	686.88		686.88			
		(101,546.06)	(23,222.01)	4,922.20	(7,215.32)	(81,898.84)	5,867.91
Decreased by							
Grant receipts In Current Fund	A-4, 17, 18	70,608.32	70,608.32				
Escrow receipts in Current Fund	A-4, B-2	3,750.00			3,750.00		
Receipt of NJ Transportation Trust Funds	A-4, C-8	220,549.75				220,549.75	
Unappropriated Grant receipts	A-4, 18	3,123.97	3,123.97				
Cancellation of Grant Fund Receivables and Appropriations	A-1, 17, 19	928.95	928.95				
2021 Budget Appropriation for Capital Improvement Fund	A-3	45,000.00				45,000.00	
Township Matching Share	A-3, 19	460.92	460.92				
		344,421.91	75,122.16		3,750.00	265,549.75	
Balance, December 31, 2021	A	\$ (445,967.97)	\$ (98,344.17)	\$ 4,922.20	\$ (10,965.32)	\$ (347,448.59)	\$ 5,867.91
Interfund Payable		\$ (456,758.08)					
Interfund Receivable		10,790.11					
		\$ (445,967.97)					

CURRENT FUNDSCHEDULE OF DUE TO LAC TOWNSHIP

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 608.00
Increased by:		
Receipt	A-4	<u>481.50</u>
		1,089.50
Decreased by:		
Payment	A-4	<u>524.00</u>
Balance, December 31, 2021	A	<u><u>\$ 565.50</u></u>

CURRENT FUNDSCHEDULE OF APPROPRIATION RESERVES - 2020

	Balance December 31, 2020	Paid or Charged	Balance Lapsed
Other Expenses:			
Other Accounts no Changes	\$ 71,806.57	\$	\$ 71,806.57
	<u>\$ 71,806.57</u>	<u>\$</u>	<u>\$ 71,806.57</u>
<u>Ref.</u>	A		A-1

CURRENT FUNDSCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 18,220.48
Increased by:		
2021 Tax Overpayments	A-6	<u>7,605.17</u>
		25,825.65
Decreased By:		
Tax Overpayments Applied	A-6	<u>17,756.10</u>
Balance, December 31, 2021	A	<u>\$ 8,069.55</u>



CURRENT FUNDSCHEDULE OF LOCAL DISTRICT SCHOOL TAX

	<u>Ref.</u>		
Balance, December 31, 2020			
School Tax Payable	A	\$ 477,831.68	
School Tax Deferred		299,185.50	
		<hr/>	\$ 777,017.18
Increased by			
Levy - School Year July 1, 2021 to			
June 30, 2022	A-1,2,6		1,553,736.00
			<hr/>
			2,330,753.18
Decreased by			
Payments	A-4		1,553,736.00
			<hr/>
Balance, December 31, 2021			
School Tax Payable	A	477,831.68	
School Tax Deferred		299,185.50	
		<hr/>	\$ 777,017.18
			<hr/>
<u>2021 Liability for Local District School Tax</u>			
Taxes Paid		\$ 1,553,736.00	
Taxes Payable December 31, 2021		477,831.68	
		<hr/>	\$ 2,031,567.68
Less: Tax Payable December 31, 2020			<hr/>
			477,831.68
Amount Charged to 2021 Operations	A-1		\$ 1,553,736.00
			<hr/>

**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES**

	<u>Ref.</u>		
Balance, December 31, 2020	A	\$	-
Increased by			
2021 County Taxes:			
General County Taxes		\$	1,262,762.83
County Open Space Prevention			21,013.14
	A-1		<u>1,283,775.97</u>
Due County on Added and Omitted Taxes	A-1		<u>1,300.65</u>
	A-2,6		<u>1,285,076.62</u>
			1,285,076.62
Decreased by			
Payments	A-4		<u>1,285,066.63</u>
Balance, December 31, 2021	A	\$	<u><u>9.99</u></u>

**FEDERAL AND STATE GRANT FUND****SCHEDULE OF STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance December 31, 2020	2021 Revenue	Received	Cancelled	Balance December 31, 2021
Municipal Alliance on Alcoholism and Drug Abuse:					
2021	\$	\$ 1,843.67	\$	\$	\$ 1,843.67
2020	2,524.00		948.74	1,575.26	
2019	3,165.96			3,165.96	
Clean Communities Program		4,000.00	4,000.00		
Salem County Cultural and Heritage Commission Historical Grant:		1,000.00			1,000.00
FEMA Performance Grant		10,000.00	10,000.00		
American Rescue Plan		50,659.58	50,659.58		
Sustainable Communities Grant		10,000.00	5,000.00		5,000.00
	<u>\$ 5,689.96</u>	<u>77,503.25</u>	<u>\$ 70,608.32</u>	<u>\$ 4,741.22</u>	<u>\$ 7,843.67</u>
<u>Ref.</u>	A	A-2	A-11	A-11	A

**FEDERAL AND STATE GRANT FUNDS****SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED**

<u>Grant</u>	Balance December 31, 2020	Receipts	Anticipated in 2021 Budget	Balance December 31, 2021
JIF Health and Wellness Incentive	\$ 159.69	\$ 623.97	\$ 159.69	\$ 623.97
JIF Safety Incentive Grant-2019	2,505.00		2,505.00	
JIF Safety Incentive Grant-2020	2,500.00		2,500.00	
JIF Safety Incentive Grant-2021		2,500.00		2,500.00
JIF Cyber Risk Program	516.00		516.00	
Community Foundation of New Jersey: Salem Health & Wellness Fund	20,000.00		20,000.00	
	<u>\$ 25,680.69</u>	<u>\$ 3,123.97</u>	<u>\$ 25,680.69</u>	<u>\$ 3,123.97</u>
<u>Ref.</u>	A	A-11	A-2	A

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL, STATE AND OTHER GRANTS - APPROPRIATED

<u>Grant Period</u>	<u>Grant</u>	Balance December 31, 31, 2020	Transferred from 2021 Budget Appropriation	Expended	Cancelled	Balance December 31, 31, 2021
2021	FEMA Performance Grant	\$	\$ 10,000.00	\$ 10,000.00	\$	
	Total Federal Grants Grants		10,000.00	10,000.00		
2019	Municipal Alliance on Alcoholism and Drug Abuse	1,149.50			1,149.50	
2020	Municipal Alliance on Alcoholism and Drug Abuse	2,662.77			2,662.77	
2021	Municipal Alliance on Alcoholism and Drug Abuse		2,304.59	2,063.96		240.63
2018	Clean Communities Program	1,101.88		1,101.88		
2019	Clean Communities Program	4,000.00		1,349.12		2,650.88
2020	Clean Communities Program	4,000.00	4,000.00	1,646.00		6,354.00
2013	New Jersey Smalls Grant Program	1,130.76				1,130.76
2011	REA Grant Program	547.00				547.00
2016	NJ Forest Service Community: Forestry Grant	3,000.00				3,000.00
2021	American Rescue Plan		50,659.58			50,659.58
2021	Sustainable Communities Grant		10,000.00			10,000.00
2021	Reserve for Community Foundation of New Jersey: Salem County Health & Wellness Fund		20,000.00			20,000.00
2021	Salem County Cultural and Heritage Commission Historical Grant		1,000.00			1,000.00
	Total State Grants	17,591.91	87,964.17	6,160.96	3,812.27	95,582.85
2021	Reserve for JIF Health & Wellness Incentive Program		159.69	159.69		
2019	Jif Safety Incentive Program	1,368.21		1,054.19		314.02
2021	Reserve for JIF Safety Incentive Grant		5,005.00			5,005.00
2021	Reserve for JIF Cyber Risk Program		516.00			516.00
	Total Local Grants	1,368.21	5,681	1,213.88		5,835.02
		\$ 18,960.12	\$ 103,644.86	\$ 17,374.84	3,812.27	\$ 101,417.87
	<u>Ref.</u>	A		A-11	A-11	A
	Grant Share		\$ 103,183.94	\$		
	Township Matching Share		460.92			
	Expended			15,728.84		
	Encumbrances Payable			1,646.00		
			\$ 103,644.86	\$ 17,374.84		

**CURRENT FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2020	A	\$ 8,415.74	\$
Increased by:			
2021 Budget Encumbrances	A-3	10,370.09	
		<u>18,785.83</u>	<u></u>
Decreased by:			
Paid	A-4	8,415.74	
		<u>8,415.74</u>	<u></u>
Balance, December 31, 2021	A	\$ <u>10,370.09</u>	\$ <u></u>

**TRUST FUND****SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER**

	Ref.	Animal Control Fund Dog Registrar	Trust Other CFO
Balance, December 31, 2020	B	\$ 361.74	\$ 7,658.13
Increased by Receipts			
Interest Earned	B-2,4	195.77	4.63
Dog License Fees	B-3	782.00	
Unemployment	B-4		0.20
Tax Sale Premiums Received	B-7		26,500.00
Tax Title Lien Deposit	B-7		66,620.57
Donation	B-9		2.24
Total Receipts and Balances		1,339.51	100,785.77
Decreased by Disbursements			
New Jersey Dept. of Health Fees	B-3	79.20	
Animal Control Expenditures	B-3	46.00	
Unemployment	B-4		1,497.44
Tax and Title Lien Redemptions	B-7		66,620.57
Tax Premium Account	B-8		6,000.00
Donations	B-9		15.00
Total Disbursements		125.20	74,133.01
Balance, December 31, 2021	B	\$ 1,214.31	\$ 26,652.76

TRUST FUNDSCHEDULE OF AMOUNT DUE FROM (TO) CURRENT FUND

	<u>Ref.</u>	<u>Trust Other Fund</u>	<u>Animal Control Fund</u>
Balance, December 31, 2020	B	\$ 9,379.79	\$ (4,039.55)
Increased by			
Escrow Receipts in Current Fund	B-6,A-11	3,750.00	
		<u>13,129.79</u>	<u>(4,039.55)</u>
Decreased by:			
Interest Earned	B-1	4.63	195.77
Statutory Excess due Current Fund	B-3		686.88
Escrow Payments in Current Fund	B-6	2,159.84	
		<u>2,164.47</u>	<u>882.65</u>
Balance, December 31, 2021	B	<u>\$ 10,965.32</u>	<u>\$ (4,922.20)</u>

## EXHIBIT B-3

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURESANIMAL CONTROL FUND

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$ 2,232.48
Increased by:			
Dog License Fees Collected	B-1		782.00
			<u>3,014.48</u>
Decreased by:			
Expenditures	B-1	\$ 46.00	
Statutory Excess due Current Fund	B-2	686.88	
Due to NJ Department of Health	B-5	125.40	
			<u>858.28</u>
Balance, December 31, 2021	B		<u>\$ 2,156.20</u>

License Fees Collected

2020	\$ 870.00
2019	1,286.20
	<u>\$ 2,156.20</u>

TRUST FUNDSCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATIONTRUST OTHER FUND

	<u>Ref.</u>		
Balance, December 31, 2020	B	\$	3,466.85
Increased by:			
Interest on Bank Deposits	B-1		0.20
			<u>3,467.05</u>
Decreased by:			
Disbursements	B-1		1,497.44
Balance, December 31, 2021	B	\$	<u><u>1,969.61</u></u>

EXHIBIT B-5TRUST FUNDSCHEDULE OF DUE/FROM NEW JERSEY DEPARTMENT OF HEALTHANIMAL CONTROL FUND

	<u>Ref.</u>		
Balance, December 31, 2020 (Due To)	B	\$	69.00
Increased by:			
Receipts	B-1		125.40
			<u>194.40</u>
Decreased by:			
Disbursements			79.20
Balance, December 31, 2021 (Due To)	B	\$	<u><u>115.20</u></u>



TRUST FUNDSCHEDULE OF PLANNING BOARD ESCROW DEPOSITS

	<u>Ref.</u>		
Balance, December 31, 2020	B	\$	8,770.37
Increased by:			
Receipt in Current Fund	B-2		3,750.00
			<u>12,520.37</u>
Decreased by:			
Payment in Current Fund	B-2		2,159.84
Balance, December 31, 2021	B	\$	<u><u>10,360.53</u></u>

TRUST FUNDSCHEDULE OF RESERVES FOR TAX TITLE LIEN REDEMPTIONS

	<u>Ref.</u>		
Balance, December 31, 2020	B	\$	400.00
Increased by:			
Receipts	B-1		66,620.57
			<u>67,020.57</u>
Decreased by:			
Payment	B-1		66,620.57
Balance, December 31, 2021	B	\$	<u><u>400.00</u></u>

TRUST FUNDSCHEDULE OF PREMIUMS RECEIVED AT TAX SALE

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 2,250.00
Increased by:		
Receipts		26,500.00
		<hr/> 28,750.00
Decreased by:		
Payment	B-1	6,000.00
		<hr/>
Balance, December 31, 2021	B	<hr/> <hr/> \$ 22,750.00

Analysis of Balance:

<u>Block</u>	<u>Lot</u>	
4	8.00	\$ 14,200.00
4	10.00	300.00
5	4.00	500.00
6	20.00	7,400.00
11	20.00	300.00
32	13.00	50.00
		<hr/>
		\$ 22,750.00
		<hr/> <hr/>

TRUST FUNDSCHEDULE OF RESERVE FOR DONATIONS

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 2,150.70
Increased by Receipts	B-1	2.24
		<hr/> 2,152.94
Decreased by Expenditures	B-1	15.00
		<hr/>
Balance, December 31, 2021	B	<hr/> <hr/> \$ 2,137.94

GENERAL CAPITAL FUNDANALYSIS OF CASH

<u>Description</u>	<u>Ref.</u>	<u>Balance December 31, 2021</u>
Accounts Payable	C	\$ 675.00
Fund Balance	C-1	7,843.25
Capital Improvement Fund	C-3	151,658.83
Amount Due to Current Fund	C-4	(347,448.59)
Unexpended Improvement Authorizations - Funded	C-5	300,418.38
NJ Transportation Trust Fund Authority Act Receivable	C-6	(113,146.87)
Total		\$ -

## EXHIBIT C-3

GENERAL CAPITAL FUNDSCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 136,658.83
Increased by:		
2021 Budget Appropriation	C-4	45,000.00
		181,658.83
Decreased by:		
Appropriated to finance Improvement Authorization	C-5	30,000.00
Balance, December 31, 2021	C	\$ 151,658.83

**GENERAL CAPITAL FUND**  
**SCHEDULE OF AMOUNT DUE FROM/TO CURRENT FUND**

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 231,720.02
Increased by:		
2021 Budget - Capital Improvement Fund	C-3	
Road Aid Received in Current Fund	C-6	\$ 45,000.00
		220,549.75
		<u>265,549.75</u>
		497,269.77
Decreased by:		
Expenditures	C-5	149,821.18
Balance, December 31, 2021	C	<u><u>\$ 347,448.59</u></u>

EXHIBIT C-5

**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord No.	Improvement Description	Ordinance		December 31, 2020 Funded	Authorizations	Expended	December 31, 2021 Funded
		Date	Amount				
12-05	Purchase of Trash Containers	8/6/12	\$ 35,000	\$ 35,000.00	\$	\$	\$ 35,000.00
14-04	Acquisition of Server, Driveway Repairs and Veterans Memorial	6/2/14	40,000	16,274.30			16,274.30
16-04	Acquisition of Computer, Carpet Paint, Finance Software and Trash Can Lids	3/7/16	40,000	19,641.89			19,641.89
17-04	Reconstruction of South Locust Avenue	8/7/17	185,000	24,627.20			24,627.20
18-01	Purchase of Capital Equipment for Streets and Roads	9/13/18	1,000	2,575.00			2,575.00
18-04	Reconstruction of South Locust Avenues - Section II	6/4/18	14,000	10,682.80			10,682.80
19-04	Reconstruction of Delaware Ave. II	6/3/19	19,100	17,320.28			17,320.28
19-05	Emergency Repairs and Various Other Capital Improvements for the Municipal Building	12/2/19	25,000	3,970.34		2,619.05	1,351.29
20-3	Reconstruction of North Locust Avenue	4/9/20	177,000	137,147.75			137,147.75
21-4	Reconstruction of North Locust Avenue	3/1/21	183,000		183,000.00	147,202.13	35,797.87
				<u>\$ 267,239.56</u>	<u>\$ 183,000.00</u>	<u>\$ 149,821.18</u>	<u>\$ 300,418.38</u>
		<u>Ref.</u>		C	C-3,5	C-4	C
	Transportation Trust Fund Authority Act	C-6			\$ 153,000.00		
	Capital Improvement Fund	C-3			30,000.00		
					<u>\$ 183,000.00</u>		

**GENERAL CAPITAL FUND****SCHEDULE OF AMOUNT DUE FROM STATE OF NEW JERSEY**

	<u>Ref.</u>		
Balance, December 31, 2020	C	\$	180,696.62
Increased by:			
2021 Transportation Trust Authority Act Grant:			
North Locust Avenue	C-3		153,000.00
			<hr/>
			333,696.62
Decreased by:			
Received in Current Fund	C-4		220,549.75
			<hr/>
Balance, December 31, 2021	C	\$	<hr/> <hr/> 113,146.87

PAYROLL ACCOUNTSCHEDULE OF CASH - CHIEF FINANCIAL OFFICER

	<u>Ref.</u>		
Balance, December 31, 2020	E	\$	21,362.75
Increased by:			
Receipts			<u>100,458.43</u>
			121,821.18
Decreased by:			
Disbursements			<u>93,340.53</u>
Balance, December 31, 2021	E	\$	<u><u>28,480.65</u></u>

Analysis of Balance

Due to Current Fund	\$	5,867.91	
Pension and Benefits		<u>22,612.74</u>	
			\$ <u><u>28,480.65</u></u>

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETSDECEMBER 31, 2021 AND 2020

	Balance December 31, 2021	Balance December 31, 2020
<u>General Fixed Assets:</u>		
Land	\$ 10,000.00	\$ 10,000.00
Building	148,826.76	148,826.76
Furnishings and Equipment	41,059.62	41,059.62
Total General Fixed Assets	<u>\$ 199,886.38</u>	<u>\$ 199,886.38</u>
Investments in General Fixed Assets	<u>\$ 199,886.38</u>	<u>\$ 199,886.38</u>

**TOWNSHIP OF ELSINBORO**

**COUNTY OF SALEM**

**PART II**

**INTERNAL CONTROL COMMENTS**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**



## **GENERAL COMMENTS**

### **CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S. 40A:11-4**

**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 of \$17,500, 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. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500, except by contract or agreement."

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

The minutes indicate that no bids were required to be requested by public advertising in 2021.

**N.J.S. 40A:11-5** provides for exceptions to the above-mentioned statutory bidding requirements for various stipulated areas of expenditures. Included in these areas of exception are all professional services, which include but are not limited to solicitors, engineers, land surveyors and accountants. However, in lieu of recording formal bidding procedures for these categories of expenditures, in awarding contracts to fill these positions, certain other statutory requirements must be adhered to by the governing body. These requirements include the following stipulation (**N.J.S. 40A:11-5 (1) (a) (I)**):

"The governing body shall, in each instance, state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in a newspaper authorized by law to publish its legal advertisements, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file..."

Our examination indicated that the Township complied with the requirements when soliciting professional services.

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

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER  
N.J.S. 40A:11-4 (Continued)**

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of statutory requirements "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously adopted under the provisions of **N.J.S. 40A:11-6**.

**AWARD OF PURCHASES, CONTRACTS OR AGREEMENTS BY QUOTATIONS  
PER N.J.S. 40A:11-6.1**

Prior to the award of any purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practicable, on any purchase, contract or agreement, the estimated cost or price of which is \$2,625, and the award thereof shall be made, in accordance with Section 3 (C.40A:11-3) or Section 4 (C.40A:11-4), as the case may be, of the Local Public Contracts Law, on the basis of the lowest responsible quotation received, which quotation is most advantageous to the contracting unit, price and other factors considered; provided, however, that if the contracting agent deems it impractical to solicit competitive quotations in the case of extraordinary, unspecifiable services, or, in the case of such or any other purchase, contract or agreement awarded hereunder, having sought such quotation received, the contracting agent shall file a statement of explanation of the reason or reasons therefore, which shall be placed on file with said purchase, contract or agreement.

Our examination indicated that, for individual payments, contracts or agreements, made "for the performance of any work or the furnishing or hiring of any materials or supplies" in excess of or \$2,625, solicitation for quotations was done for the appropriate purchases in accordance with the provisions of **N.J.S. 40A:11-6.1b**.

**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 1, 2021, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED that the rate of interest to be charged on nonpayment of taxes or assessment shall be eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00 which interest is to be calculated from the date the tax was payable until the date of actual payment."

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (Cont'd)**

"BE IT RESOLVED that the Tax Collector is hereby authorized and directed to waive any year end penalty from any property that may have a delinquent balance of more than \$10,000."

**DELINQUENT TAXES AND TAX TITLE LIENS**

The last tax sale was held on March 30, 2021, and was complete.

An inspection of Tax Sale Certificates revealed that all were on file.

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>
2021	16
2020	18
2019	16

It is essential to good management that all means provided by statute be utilized to liquidate tax liens by seriously undertaking foreclosure proceedings on appropriate properties in order to get such properties back on a taxpaying basis.

There were no foreclosures completed during 2021.

**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 and generally accepted auditing standards, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2022 Taxes	60
Payments of 2021 Taxes	60
Delinquent Taxes	6
Tax Title Liens	3

The result of the test, which was made as of November 30, 2021 and December 31, 2021, did not reveal any irregularities based upon inspection and evaluation of the test results.

## **GENERAL COMMENTS**

### **MUNICIPAL COURT**

The municipal court activities of Elsinboro Township are maintained through an interlocal government agreement with Lower Alloway Creek. Therefore, no court report is prepared or submitted by Elsinboro Township.

### **ASSIGNMENT OF DUTIES**

Due to the limited number of Township employees, there is no segregation of duties in the maintenance of accounting records, cash receipts, cash disbursements, preparation of bank reconciliation's, and the review, approval, and distribution of payroll checks. The Township Committee, however, does not believe that the potential benefit of hiring additional employees would outweigh the cost of doing so at this time.

### **PAYMENT OF CLAIMS**

During the course of the audit, it was noted that payments of claims contained the required supporting detail, required signatures and minute approval.

### **INTERFUND BALANCES**

The following interfund balances should be cleared by cash transfer:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Current Fund	Trust Other Fund	\$ 10,965.32
Animal Control Fund	Current Fund	4,922.20
Current Fund	Federal & State Grant Fund	98,344.17
Current Fund	General Capital Fund	347,448.59
Payroll	Current Fund	5,867.91

### **ANIMAL CONTROL FUND**

The Township issued 72 licenses during the year versus 81 in 2020. Collections of animal control license fees were not always deposited within forty-eight hours. In addition, the reports to the New Jersey Department of Health were not remitted on a timely basis, as there were no collections during the given month.

### **PAYROLL FUND**

The examination of the payroll fund determined that the detailed computation of various deductions and other credits were properly made and withholdings were always disbursed to the proper agencies on a timely basis.

#### PUBLIC ASSISTANCE TRUST FUND

The Township had one public assistance trust fund bank account. The public assistance operations, however, were turned over to Salem County as of May 1, 1999. The account was closed in 2012.

#### GENERAL CAPITAL FUND

There exist four improvement authorizations that are currently being reviewed for proper disposition:

- Purchase of Trash Containers
- Acquisition of Server, Driveway Repairs and Veterans Memorial
- Acquisition Finance Software and
- Reconstruction of North Locust Avenue & Country Club Road

#### TAX OFFICE

The tax office maintains a computerized tax accounting system, which appeared to provide proper reports and balances. The tax office appeared to be maintained very well during 2021. This included analysis of prior year balances, which have been cleared from the records.

#### TAX TITLE LIEN REDEMPTION

The tax title lien redemptions account and the tax premium account each have their own bank account in 2021.

#### STATE OF NEW JERSEY - TECHNICAL ACCOUNTING DIRECTIVES

The Division has mandated that specific accounting procedures be adopted and operative for the following: use of general ledger, general fixed asset ledger and an encumbrance purchase order system. A form of general ledger record was established in the previous year and a selective encumbrance purchase order system was operative in the year under audit. Encumbrances payable were provided and tested as part of the audit and reported as of December 31, 2021.

#### GRANT FUND RESERVE BALANCES

The grant fund contained several reserve balances totaling \$101,417.87, which will be further reviewed for expenditure or other proper disposition in 2022. In addition, there were three Unappropriated Reserve balances that will require further analysis for proper appropriation in the budget.

#### PLANNING AND ZONING BOARDS ESCROW FUNDS

An in-house computer is currently being used to maintain the accounting records as well as provide related internal controls for planning and zoning board escrow funds. A trial balance of open escrow accounts was not available as of December 31, 2021, which would agree with supporting detail.

**Schedule of Comments and Recommendations**  
**For the Year Ended December 31, 2021**  
**Schedule of Financial Statement Comments**

This section identifies the instances of noncompliance that are required to be reported in accordance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**FINDINGS AND RECOMMENDATIONS**

**Finding 2021-1**

**Criteria** - Bank deposits are required, by statute, to be made within 48 hours of receipt.

**Condition** - Various Current Fund receipts were not recorded and deposited in a timely manner.

**Cause** - Limited Personnel

**Effect** - Additional audit procedures were necessary to verify the accuracy of various cash balances reflected in the Current Fund General Ledger.

**Recommendation** - Procedures and resources should be reviewed and revised, in order to assure that bank deposits are made and recorded in a timely manner.

**Finding 2021-2**

**Criteria** – Information is to be available and provided to the auditor in a timely manner, in order to facilitate completion of the annual audit on time.

**Condition** – Records were not available for audit in a timely manner

**Cause** - Limited Personnel

**Effect** – The audit was not completed and submitted to the State of New Jersey on time.

**Recommendation** - Procedures and resources should be reviewed and revised, in order to assure that all records are available for audit in a timely manner.

### **Finding 2021-3**

**Criteria** – For internal control and balancing purposes, a proper accounting of money held by the planning and zoning board will facilitate the correct and efficient operation of the board.

**Condition** – An analysis of planning and zoning board escrow funds was not available for audit.

**Cause** - Oversight

**Effect** – The Township does not have an up to date analysis of funds on hand.

**Recommendation** - Procedures and resources should be reviewed and revised, in order to assure that related internal controls for planning and zoning board escrow funds are adequate, including completion of an up to date list of deposits on hand.

### **Finding 2021-4**

**Criteria** – Bank reconciliations for various accounts should be available in a timely manner.

**Condition** – The Schedule 40A:5-5 is a required part of the audit.

**Cause** - Limited Personnel

**Effect** – The audit was not completed and submitted to the State of New Jersey on time.

**Recommendation** - Procedures and resources should be reviewed and revised, in order to assure that the Supplementary Data, Schedule 4 reconciliations of all bank accounts are completed in a timely manner.



## **FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

In accordance with governmental auditing standards, our procedures included a review of the prior year findings and resulted in the following conclusion:

### **Finding 2020-1**

**Condition** - Various Current Fund receipts were not recorded and deposited in a timely manner.

**Current Status** - Unresolved

The problems and weaknesses noted in our review 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 any assistance in implementing our recommendations, please do not hesitate to call us.

## **APPRECIATION**

We wish to express our appreciation for the assistance and courtesies rendered to us by the officials during the course of the audit.

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

A handwritten signature in black ink, appearing to read 'Raymond Colavita', written in a cursive style.

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