

**TOWNSHIP OF WOOLWICH**

**COUNTY OF GLOUCESTER**

**REPORT OF AUDIT**

**For the Year Ended December 31, 2011**

# TOWNSHIP OF WOOLWICH

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**TOWNSHIP OF WOOLWICH**

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**REPORT OF EXAMINATION ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA**

**For the Year Ended December 31, 2011**



CERTIFIED PUBLIC ACCOUNTANTS



## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Township Committee  
Township of Woolwich  
County of Gloucester  
Woolwich, New Jersey

We have audited the accompanying balance sheet - regulatory basis of the various funds and account groups of the Township of Woolwich, County of Gloucester, State of New Jersey, as of December 31, 2011, and the related statements of operations and changes in fund balances - regulatory basis for the year then ended, and the related statements of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds, as of and for the year ended December 31, 2011, which collectively comprise the Township of Woolwich's financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Woolwich's management. Our responsibility is to express an opinion 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township of Woolwich prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey. These practices are a basis of accounting other than accounting principles generally accepted in the United States of America. The presentation requirement does not include a Management Discussion and Analysis as required by the Governmental Accounting Standards Board to be presented as Required Supplementary Information, but not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

-1-

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In our opinion, because of the effects on the financial statements of the requirement that the Township of Woolwich prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Woolwich as of December 31, 2011, or the results of its operations and changes in fund balance for the year then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - regulatory basis of the various funds and account groups of the Township of Woolwich as of December 31, 2011, and the results of operations and changes in fund balances - regulatory basis of such funds for the year then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011 on a modified accrual basis of accounting described in Note 1.

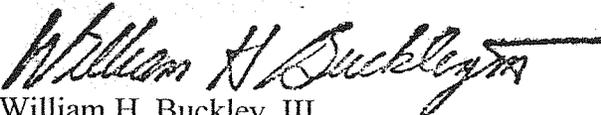
In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2012, on our consideration of the Township of Woolwich's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township of Woolwich's financial statements as a whole. The accompanying supplemental schedules and information presented in the "General Comments", "Other Comments", and "Schedule of Findings and Questioned Costs" sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, is fairly stated in all material respects, in relation to the financial statements as a whole.

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants



William H. Buckley, III  
Registered Municipal Accountant #46  
Certified Public Accountant

August 7, 2012



CERTIFIED PUBLIC ACCOUNTANTS



**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**

The Honorable Mayor and Members  
of the Township Committee  
Township of Woolwich  
County of Gloucester  
Woolwich, New Jersey

We have audited the financial statements - regulatory basis of the Township of Woolwich, County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated August 7, 2012 which indicated that the 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. 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.

**Internal Control Over Financial Reporting**

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

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

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 over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

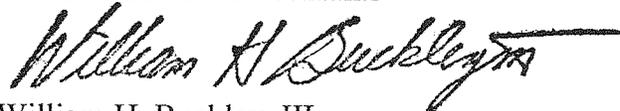
As part of obtaining reasonable assurance about whether the Township of Woolwich's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the requirements of the Division of Local Government Services which is described in the accompanying schedule of prior year audit findings and questioned costs as prepared by management as item 2010-1.

This report is intended solely for the information and use of management, the Township Committee of the Township of Woolwich, others within the entity, and federal awarding agencies and pass-through entities, the New Jersey Division of Local Government Services, and certain other interested government agencies and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants



William H. Buckley, III  
Registered Municipal Accountant #46  
Certified Public Accountant

August 7, 2012

**CURRENT FUND**

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2011 and 2010

Ref.	Balance December 31, 2011	Restated Balance December 31, 2010
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ASSETS

Regular fund:		
Cash - chief financial officer	\$ 6,540,754.66	\$ 7,579,350.55
Cash - tax collector	444,430.71	403,804.51
Cash - change funds	100.00	100.00
Due from State of NJ - senior citizen and veteran deductions	0.00	2,250.00
<b>Total</b>	<b>6,985,285.37</b>	<b>7,985,505.06</b>
Receivables and other assets with full reserves:		
Delinquent property taxes receivable	1,223,357.27	566,046.90
Tax title liens receivable	116,797.50	71,114.97
Revenue accounts receivable	34,389.98	16,680.55
Amount due from general capital fund	0.00	294,211.35
Amount due from dog license trust	55.01	1,767.90
Amount due from trust funds - other	0.00	505,925.38
Amount due from payroll funds	6,951.08	0.00
<b>Total</b>	<b>1,381,550.84</b>	<b>1,455,747.05</b>
Deferred charges:		
Emergency authorizations (40A,4-47)	30,000.00	56,000.00
Special emergency authorization (5 years)	199,250.00	240,000.00
<b>Total</b>	<b>229,250.00</b>	<b>296,000.00</b>
Federal and state grant fund:		
State grants receivable	64,635.20	35,463.27
Amount due from current fund	119,707.69	156,337.39
<b>Total</b>	<b>184,342.89</b>	<b>191,800.66</b>

LIABILITIES, RESERVES, AND FUND BALANCE

Regular fund:		
Appropriation reserves	\$ 367,333.93	\$ 433,444.39
Reserve for encumbrances	163,470.04	119,080.95
Accounts payable	21,736.00	14,551.74
Tax overpayments	11,358.64	27,340.80
Taxes collected in advance	145,460.15	122,384.54
Amount due to State of New Jersey - senior citizens' and veterans' deductions	750.00	0.00
Amount due open space trust for added and omitted taxes	2,504.29	0.00
Amount due county for added and omitted taxes	54,640.76	97,487.13
Local school district tax payable	2,773,174.07	4,356,676.58
Due to State of New Jersey - marriage license fees	175.00	225.00
Amount due to state and federal grants	119,707.69	156,337.39
Amount due to trust funds - other	123,236.03	0.00
Amount due to general capital fund	117,975.37	0.00
Reserve for master plan	66,418.82	66,418.82
<b>Total</b>	<b>3,967,940.79</b>	<b>5,393,947.34</b>
Reserve for receivables and other assets	1,381,550.84	1,455,747.05
Fund balance	3,246,594.58	2,887,557.72
<b>Total</b>	<b>8,596,086.21</b>	<b>9,737,252.11</b>
Federal and state grant fund:		
Reserve for encumbrances	0.00	2,397.90
Reserves for state and federal grants:		
Unappropriated	37,095.60	47,807.41
Appropriated	147,247.29	141,595.35
<b>Total</b>	<b>184,342.89</b>	<b>191,800.66</b>

See accompanying notes to the financial statements.

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND**  
**CHANGES IN FUND BALANCE**  
**REGULATORY BASIS**  
**For the Years Ended December 31, 2011 and 2010**

	Ref.	Year 2011	Year 2010
Revenue and other income realized:			
Fund balance utilized	A-2	\$ 1,701,282.00	\$ 2,393,000.00
Miscellaneous revenue anticipated	A-2	2,494,718.80	1,860,519.14
Receipts from delinquent taxes	A-2	579,286.27	628,891.12
Receipts from current taxes	A-2	30,400,265.97	30,822,858.38
Non-budget revenue	A-2	170,582.56	482,343.43
Other credits to income:			
Unexpended balance of appropriation reserves	A-9	281,520.23	194,550.72
Accounts payable cancelled		3,569.41	18,238.50
Veterans and senior citizen's deduction payable cancelled		0.00	26,418.92
Interfunds cleared		0.00	23,950.19
Total income		<u>35,631,225.24</u>	<u>36,450,770.40</u>
Expenditures:			
Budget and emergency appropriations:			
Appropriations within "CAPS":			
Operations:			
Salaries and wages	A-3	1,807,653.11	1,799,285.00
Other expenses	A-3	2,845,267.00	2,686,370.00
Deferred charges and statutory expenditures	A-3	665,731.61	476,651.28
Appropriations excluded from "CAPS":			
Operations:			
Salaries and wages	A-3	760,532.00	913,008.60
Other expenses	A-3	136,599.90	260,581.87
Capital improvements	A-3	0.00	100,000.00
Municipal debt service	A-3	1,560,665.27	1,416,209.38
Deferred charges	A-3	176,000.00	320,000.00
Judgements		0.00	56,000.00
County taxes	A-6	6,830,457.00	7,121,588.06
Amount due county for added taxes	A-6	54,640.76	97,487.13
Local district school tax	A-10	11,667,356.16	13,134,361.23
Regional high school tax	A-11	6,853,195.77	6,381,491.80
Municipal open space tax	A-6	314,276.94	312,000.00
Amount due municipal open space for added taxes	A-6	2,504.29	4,237.79
Interfund loans advanced		2,863.75	767,486.22
Adjustment to prior year payroll deductions		2,412.82	0.00
Total expenditures		<u>33,680,156.38</u>	<u>35,846,758.36</u>

See accompanying notes to the financial statements.

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE  
REGULATORY BASIS  
For the Years Ended December 31, 2011 and 2010**

	Ref.	Year 2011	Year 2010
Excess in revenue		\$ 1,951,068.86	\$ 604,012.04
Expenditures included above which are by statute deferred charges to budget of succeeding year	A-3	<u>109,250.00</u>	<u>56,000.00</u>
Statutory excess to fund balance		2,060,318.86	660,012.04
Fund balance - January 1	A	<u>2,887,557.72</u>	<u>4,620,545.68</u>
		4,947,876.58	5,280,557.72
Decreased by utilization as anticipated revenue	A-2	<u>1,701,282.00</u>	<u>2,393,000.00</u>
Fund balance - December 31	A	<u><u>\$ 3,246,594.58</u></u>	<u><u>\$ 2,887,557.72</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
 CURRENT FUND  
 STATEMENT OF REVENUES  
 REGULATORY BASIS

For the Year Ended December 31, 2011

	Ref.	Anticipated		Excess Or (Deficit)
		Budget	Special N.J.S. 40A:4-87	
Fund balance anticipated	A-1	\$ 1,701,282.00	\$ 0.00	\$ 1,701,282.00
Miscellaneous revenues:				
Fines and costs - municipal court	A-8	190,000.00	0.00	188,147.57
Interest and costs on taxes	A-5	100,000.00	0.00	124,329.64
Energy receipts taxes	A-8	414,809.00	0.00	414,809.00
Garden state preservation fund	A-4	5,939.00	0.00	5,939.00
Shared services agreements- Swedesboro:				
Aid to volunteer fire company	A-8	25,125.00	0.00	25,125.00
Recreation	A-8	7,075.00	0.00	7,075.00
Police coverage and protection	A-8	505,620.00	0.00	505,620.00
Contributions from:				
Municipal functions trust	A-8	194,912.00	0.00	194,912.00
Developers open space trust fund	A-8	50,000.00	0.00	50,000.00
Recreation trust fund	A-8	25,000.00	0.00	25,000.00
Kingsway regional school district	A-8	70,000.00	0.00	69,902.40
Interfund- due from general capital fund	A	294,211.35	0.00	294,211.35
Interfund- due from trust fund- other	A	503,550.94	0.00	503,550.94
Clean communities program	A-12	0.00	17,605.41	17,605.41
Municipal alliance for drug and alcohol abuse	A-12	4,895.00	0.00	4,895.00
Sustainable jersey small grant program	A-12	0.00	25,000.00	25,000.00
Body armor grant	A-12	2,076.94	0.00	2,076.94
Recycling tonnage grant	A-12	36,519.55	0.00	36,519.55
<b>Total</b>	<b>A-1</b>	<b>2,429,733.78</b>	<b>42,605.41</b>	<b>2,494,718.80</b>
Receipts from delinquent taxes	A-2	500,000.00	0.00	579,286.27
Amount to be raised by taxes for support of municipal budget - local taxes for municipal purposes	A-2	4,118,276.77	0.00	3,926,150.63
<b>Budget totals</b>		<b>8,749,292.55</b>	<b>42,605.41</b>	<b>8,701,437.70</b>
Non-budget revenues	A-2	0.00	0.00	170,582.56
<b>Total</b>		<b>\$ 8,749,292.55</b>	<b>\$ 42,605.41</b>	<b>\$ 8,872,020.26</b>
				<b>\$ 80,122.30</b>

. See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

ANALYSIS OF REALIZED REVENUES

	<u>Ref.</u>	
Allocations of current tax collections:		
Revenue from collections	A-6	\$ 30,400,265.97
Allocated to:		
School, county, and special district taxes	A-6	<u>27,422,430.92</u>
Balance for support of municipal appropriations		2,977,835.05
Add: appropriation "reserve for uncollected taxes"	A-3	<u>948,315.58</u>
 Amount for support of municipal budget appropriations	 A-2	 <u>\$ 3,926,150.63</u>
 Analysis of receipts from delinquent taxes:		
Delinquent tax collections	A-6	\$ 574,071.87
Tax title lien collections	A-7	<u>5,214.40</u>
Total	A-2	<u>\$ 579,286.27</u>

ANALYSIS OF NON-BUDGET REVENUES

	<u>Ref.</u>	
Chief financial officer:		
Administrative fees - veterans and senior citizens deductions		\$ 1,040.00
Interest on investments		21,946.63
Liquor licenses		6,150.00
Marriage licenses		84.00
Poll rentals		800.00
Junk yard licenses		4,686.36
Fees and permits		23,865.78
Prior year refunds/miscellaneous		<u>61,558.25</u>
Total chief financial officer	A-4	\$ 120,131.02
 Chief financial officer:		
Cable TV franchise fees	A-8	20,930.64
 Tax collector:		
Tax search fees		320.00
Interest on investments		11,421.14
Miscellaneous		<u>284.00</u>
	A-5	12,025.14
 Chief financial officer:		
Non-cash revenue:		
Interest earned on investments- due from other funds		<u>17,495.76</u>
Total	A-2	<u>\$ 170,582.56</u>

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid Or Charged	Encumbered	Reserved		
<u>OPERATIONS WITHIN "CAP"</u>							
General government:							
General administration:							
Salaries and wages	\$ 20,400.00	\$ 20,400.00	\$ 20,399.92	\$ 0.00	\$ 0.08	\$ 0.00	0.00
Other expenses	9,500.00	9,500.00	5,360.48	1,147.90	2,991.62	0.00	0.00
Mayor and township committee:							
Salaries and wages	26,500.00	26,500.00	26,500.00	0.00	0.00	0.00	0.00
Other expenses	5,000.00	5,000.00	3,325.19	1,659.35	15.46	0.00	0.00
Municipal clerk:							
Salaries and wages	92,200.00	92,200.00	92,157.92	0.00	42.08	0.00	0.00
Other expenses	21,000.00	19,400.00	14,413.38	1,407.09	3,579.53	0.00	0.00
Financial administration:							
Salaries and wages	61,925.00	61,925.00	61,921.02	0.00	3.98	0.00	0.00
Other expenses	44,000.00	39,000.00	36,279.21	1,839.37	881.42	0.00	0.00
Audit services:							
Other expenses	50,000.00	50,000.00	50,000.00	0.00	0.00	0.00	0.00
Revenue administration:							
Salaries and wages	34,005.00	34,005.00	32,220.56	0.00	1,784.44	0.00	0.00
Other expenses	11,500.00	9,500.00	7,709.66	298.00	1,492.34	0.00	0.00
Tax assessment administration:							
Salaries and wages	55,400.00	55,400.00	55,400.00	0.00	0.00	0.00	0.00
Other expenses	6,000.00	6,000.00	1,622.14	2,060.42	2,317.44	0.00	0.00
Tax maps- special emergency	0.00	79,250.00	48,292.00	30,958.00	0.00	0.00	0.00
Legal services and costs:							
Other expenses	210,000.00	162,600.00	113,540.55	0.00	49,059.45	0.00	0.00
Engineering services and costs:							
Other expenses	40,000.00	65,000.00	38,018.75	10,972.50	16,008.75	0.00	0.00

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

	Appropriations			Expended			Unexpended Balance Canceled	
	Budget	Budget After Modifications	Paid Or Charged	Encumbered	Reserved			
	\$	4,500.00	\$	100.00	\$	0.00	\$	0.00
General government (concluded):								
Economic development:								
Other expenses								
Land use and development:								
Planning board:								
Salaries and wages	30,500.00	31,250.00	31,213.34	0.00	36.66	0.00	0.00	
Other expenses	55,000.00	25,000.00	13,616.86	608.30	10,774.84	0.00	0.00	
Zoning board of adjustment:								
Salaries and wages	38,000.00	34,400.00	34,351.81	0.00	48.19	0.00	0.00	
Office of community development:								
Salaries and wages	65,000.00	65,000.00	65,000.00	0.00	0.00	0.00	0.00	
Insurance:								
Liability insurance	47,000.00	42,500.00	42,500.00	0.00	0.00	0.00	0.00	
Workmen's compensation insurance	78,000.00	78,000.00	77,651.00	0.00	349.00	0.00	0.00	
Employees' group insurance	595,920.00	637,920.00	635,812.28	1,024.45	1,083.27	0.00	0.00	
Employee health insurance:								
Optional cash payment	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
Public safety:								
Police:								
Salaries and wages	1,045,057.74	1,045,057.74	960,520.73	0.00	84,537.01	0.00	0.00	
Other expenses	41,801.00	41,801.00	36,167.81	3,496.14	2,137.05	0.00	0.00	
Office of emergency management:								
Salaries and wages	5,000.00	3,300.00	3,269.27	0.00	30.73	0.00	0.00	
Other expenses	2,500.00	1,500.00	25.00	0.00	1,475.00	0.00	0.00	

OPERATIONS WITHIN "CAP"

\* See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid Or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAP"</b>						
Public safety (concluded):						
Aid to volunteer fire company:						
Other expenses	\$ 75,375.00	\$ 75,375.00	\$ 39,900.60	\$ 30,550.43	\$ 4,923.97	\$ 0.00
Municipal prosecutor:						
Salaries and wages	16,830.00	16,830.00	16,500.12	0.00	329.88	0.00
Municipal court:						
Salaries and wages	94,647.00	99,147.00	98,739.73	0.00	407.27	0.00
Other expenses	22,996.00	20,496.00	15,328.12	2,618.33	2,549.55	0.00
Public defender:						
Salaries and wages	3,000.00	3,000.00	1,250.00	0.00	1,750.00	0.00
Public works:						
Road repair and maintenance:						
Other expenses	22,050.00	22,550.00	18,740.71	449.40	3,359.89	0.00
Oldmans Creek Road repair:						
Other expenses- emergency appropriation	0.00	30,000.00	25,541.00	0.00	4,459.00	0.00
Snow removal:						
Salaries and wages	25,000.00	25,000.00	15,034.27	0.00	9,965.73	0.00
Other expenses	46,750.00	46,750.00	23,621.16	6,022.43	17,106.41	0.00
Solid waste collection:						
Other expenses	491,000.00	491,000.00	486,139.88	0.00	4,860.12	0.00
Sanitation:						
Other expenses	500.00	500.00	0.00	0.00	500.00	0.00
Public buildings and grounds:						
Salaries and wages	189,200.00	179,200.00	172,816.75	0.00	6,383.25	0.00
Other expenses	49,000.00	49,000.00	32,644.87	6,078.31	10,276.82	0.00
Vehicle maintenance:						
Other expenses	50,500.00	51,500.00	42,814.22	6,714.05	1,971.73	0.00

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid Or Charged	Encumbered	Reserved		
<u>OPERATIONS WITHIN "CAP"</u>							
Health and human services:							
Public health services:							
Salaries and wages	\$ 1,540.00	\$ 1,538.37	\$ 1,534.40	\$ 0.00	\$ 3.97	\$ 0.00	0.00
Other expenses	1,000.00	1,000.00	368.00	111.50	520.50	0.00	0.00
Environmental committee:							
Other expenses	1,500.00	300.00	204.96	0.00	95.04	0.00	0.00
Parks and recreation:							
Recreation services and programs:							
Recreation services and programs:							
Salaries and wages	11,000.00	11,000.00	11,000.00	0.00	0.00	0.00	0.00
Other expenses	3,500.00	3,500.00	3,339.01	0.00	160.99	0.00	0.00
Maintenance of parks:							
Other expenses	32,725.00	32,725.00	29,341.76	3,258.41	124.83	0.00	0.00
Celebration of public events:							
Other expenses	5,000.00	2,000.00	1,122.45	750.00	127.55	0.00	0.00
Salary wage adjustment account:							
Salaries and wages	2,500.00	2,500.00	2,500.00	0.00	0.00	0.00	0.00
Utility expense and bulk purchasing:							
Electricity	120,000.00	120,000.00	107,743.65	0.00	12,256.35	0.00	0.00
Street lighting	42,000.00	42,000.00	38,643.46	0.00	3,356.54	0.00	0.00
Telephone	40,000.00	37,250.00	24,471.75	2,182.54	10,595.71	0.00	0.00
Water/fire hydrant service	115,000.00	115,000.00	76,829.14	217.44	37,953.42	0.00	0.00
Fuel oil	10,000.00	6,000.00	4,825.89	0.00	1,174.11	0.00	0.00
Gasoline	95,000.00	115,000.00	111,858.14	0.00	3,141.86	0.00	0.00
Sanitation:							
Solid waste disposal costs:							
Other expenses	311,250.00	311,250.00	231,788.31	40,123.97	39,337.72	0.00	0.00

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid Or Charged	Encumbered	Reserved		
<u>OPERATIONS WITHIN "CAP"</u>							
Total operations within "CAP"	\$ 4,584,571.74	\$ 4,652,920.11	\$ 4,142,031.23	\$ 154,548.33	\$ 356,340.55	\$	0.00
<i>Detail:</i>							
Salaries and wages	1,817,704.74	1,807,653.11	1,702,329.84	0.00	105,323.27		0.00
Other expenses	2,766,867.00	2,845,267.00	2,439,701.39	154,548.33	251,017.28		0.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"</u>							
Deferred charges:							
Prior year bills- J. Timothy Kiernan, Inc.	14,760.00	14,761.61	14,761.61	0.00	0.00	0.00	0.00
Statutory expenditures:							
Contribution to:							
Social security system (O.A.S.I.)	190,000.00	200,000.00	199,986.72	0.00	13.28		0.00
Public employees retirement system	110,720.00	145,120.00	145,120.00	0.00	0.00		0.00
Police and firemens retirement system	304,350.00	304,350.00	304,350.00	0.00	0.00		0.00
Defined contribution retirement	5,000.00	1,500.00	915.12	0.00	584.88		0.00
Total deferred charges and statutory expenditures within "CAP"	624,830.00	665,731.61	665,133.45	0.00	598.16		0.00
Total general appropriations for municipal purposes within "CAP"	5,209,401.74	5,318,651.72	4,807,164.68	154,548.33	356,938.71		0.00

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
REGULATORY BASIS  
STATEMENT OF EXPENDITURES  
For the Year Ended December 31, 2011

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid Or Charged	Encumbered	Reserved		
<u>OPERATIONS EXCLUDED</u>							
<u>FROM "CAP"</u>							
Employee group insurance	\$ 2,080.00	\$ 2,080.00	\$ 0.00	\$ 0.00	\$ 2,080.00	\$ 0.00	0.00
Interlocal service agreements- Swedesboro:							
Aid to volunteer fire company	25,125.00	25,125.00	21,057.93	4,067.07	0.00	0.00	0.00
Recreation:							
Other expenses	7,075.00	7,075.00	5,490.57	1,334.43	250.00	0.00	0.00
Police coverage and protection:							
Salaries and wages	505,620.00	505,620.00	505,620.00	0.00	0.00	0.00	0.00
Contributions from municipal functions trust:							
Police:							
Salaries and wages	194,912.00	194,912.00	194,912.00	0.00	0.00	0.00	0.00
Contributions from developers open space trust fund:							
Public buildings and grounds:							
Salaries and wages	50,000.00	50,000.00	50,000.00	0.00	0.00	0.00	0.00
Contributions from recreation trust fund:							
Parks and recreation:							
Salaries and wages	10,000.00	10,000.00	2,165.00	0.00	7,835.00	0.00	0.00
Other expenses	15,000.00	15,000.00	11,249.57	3,520.21	230.22	0.00	0.00
State and federal programs offset by revenues:							
Clean communities grant	0.00	17,605.41	17,605.41	0.00	0.00	0.00	0.00
Municipal alliance for drug and alcohol abuse:							
Grant funds	4,895.00	4,895.00	4,895.00	0.00	0.00	0.00	0.00
Local match	1,223.00	1,223.00	1,223.00	0.00	0.00	0.00	0.00
Body armor fund	2,076.94	2,076.94	2,076.94	0.00	0.00	0.00	0.00
Recycling tonnage grant	36,519.55	36,519.55	36,519.55	0.00	0.00	0.00	0.00

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid Or Charged	Encumbered Reserved	
<u>OPERATIONS EXCLUDED</u>					
<u>FROM "CAP"</u>					
Sustainable Jersey small grant program	\$ 0.00	\$ 25,000.00	\$ 25,000.00	\$ 0.00	\$ 0.00
Total operations excluded from "CAP"	854,526.49	897,131.90	877,814.97	10,395.22	0.00
<i>Detail:</i>					
Salaries and wages	760,532.00	760,532.00	752,697.00	0.00	0.00
Other expenses	93,994.49	136,599.90	125,117.97	8,921.71	0.00
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAP"</u>					
Payment of bond principal	350,000.00	350,000.00	350,000.00	0.00	0.00
Payment of bond anticipation note principal	21,924.00	21,924.00	21,924.00	0.00	0.00
Interest on bonds	270,400.00	270,400.00	270,400.00	0.00	0.00
Interest on notes	9,650.00	9,650.00	9,293.61	0.00	356.39
Green trust loan program:					
Loan repayment for principal and interest	34,200.74	34,200.76	34,200.76	0.00	0.00
Capital lease obligations:					
Principal	290,000.00	290,000.00	290,000.00	0.00	0.00
Interest	473,319.00	473,319.00	473,291.90	0.00	27.10
Bonds authorized for tax appeals	111,555.00	111,555.00	111,555.00	0.00	0.00
Total municipal debt service - excluded from "CAP"	1,561,048.74	1,561,048.76	1,560,665.27	0.00	383.49

See accompanying notes to the financial statements.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid Or Charged	Encumbered	Reserved	
Emergency authorizations	\$ 56,000.00	\$ 56,000.00	\$ 56,000.00	\$ 0.00	\$ 0.00	\$ 0.00
Special emergency authorization - 5 years (N.J.S. 40A:4-55)	120,000.00	120,000.00	120,000.00	0.00	0.00	0.00
Total deferred charges - excluded from "CAP"	176,000.00	176,000.00	176,000.00	0.00	0.00	0.00
Total general appropriations for municipal purposes - excluded from "CAP"	2,591,575.23	2,634,180.66	2,614,480.24	8,921.71	10,395.22	383.49
Subtotal general appropriations	7,800,976.97	7,952,832.38	7,421,644.92	163,470.04	367,333.93	383.49
Reserve for uncollected taxes	948,315.58	948,315.58	948,315.58	0.00	0.00	0.00
Total general appropriations	\$ 8,749,292.55	\$ 8,901,147.96	\$ 8,369,960.50	\$ 163,470.04	\$ 367,333.93	\$ 383.49
	Ref. A-2		A-3	A	A	
Budget		\$ 8,749,292.55				
Emergency authorization added by NJS 40A:4-46	A	30,000.00				
Emergency authorization added by NJS 40A:4-55	A	79,250.00				
Budget appropriations added by NJS 40A:4-87	A-2	42,605.41				
		\$ 8,901,147.96				

See accompanying notes to the financial statements.

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2011**

	<u>Ref.</u>	
Paid or charged:		
Federal and state grants	A-14	\$ 87,319.90
Reserve for uncollected taxes	A-2	948,315.58
Deferred charges:		
Tax appeal bonds (due general capital fund)		111,555.00
Special emergency appropriations		120,000.00
Emergency authorization	A	56,000.00
Paid from general capital fund	C-2	48,292.00
Paid from trust fund other		3.97
Cash disbursed	A-4	<u>6,998,474.05</u>
		<u>\$ 8,369,960.50</u>
	Ref.	A-3

See accompanying notes to the financial statements.

**TRUST FUND**

TOWNSHIP OF WOOLWICH  
TRUST FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2011 and 2010

	Balance December 31, 2011	Restated Balance December 31, 2010	Ref.	Balance December 31, 2011	Restated Balance December 31, 2010
<b>ASSETS</b>					
Dog license fund:					
Cash - chief financial officer	\$ 6,060.46	\$ 10,743.19	B-1	\$ 6,060.46	\$ 10,743.19
	<u>6,060.46</u>	<u>10,743.19</u>		<u>6,060.46</u>	<u>10,743.19</u>
Other funds:					
Cash - chief financial officer	3,157,408.15	3,804,193.78	B-1	3,157,408.15	3,804,193.78
Cash - tax collector	202,112.53	106,179.15	B-2	202,112.53	106,179.15
Open space taxes receivable	2,504.29	0.00	C	2,504.29	0.00
Due from general capital fund	394,602.00	394,602.00		394,602.00	394,602.00
Due from contractors	137,878.94	3,022.74		137,878.94	3,022.74
Due from current fund	123,236.03	0.00	A	123,236.03	0.00
	<u>4,017,741.94</u>	<u>4,307,997.67</u>		<u>4,017,741.94</u>	<u>4,307,997.67</u>
Total all funds	\$ 4,023,802.40	\$ 4,318,740.86		\$ 4,023,802.40	\$ 4,318,740.86
<b>LIABILITIES AND RESERVES</b>					
Dog license fund:					
Amount due to current fund	\$ 55.01	\$ 1,767.90	A	\$ 55.01	\$ 1,767.90
Due to State of New Jersey	0.00	15.60		0.00	15.60
Reserve for dog fund expenditures	6,005.45	8,959.69	B-3	6,005.45	8,959.69
	<u>6,060.46</u>	<u>10,743.19</u>		<u>6,060.46</u>	<u>10,743.19</u>
Other funds:					
Amount due to current fund	0.00	505,925.38	A	0.00	505,925.38
Reserve for encumbrances	260,101.07	142,178.43		260,101.07	142,178.43
Deposits for redemption of tax title liens	95,365.50	21,798.46	B-4	95,365.50	21,798.46
Tax sale premiums	92,100.00	82,800.00	B-5	92,100.00	82,800.00
Appropriation reserves- municipal open space trust	0.00	5,634.00		0.00	5,634.00
Due to general capital fund	236,730.35	236,730.35	C	236,730.35	236,730.35
Due to State of NJ- DCA training fees	12,032.00	5,038.00		12,032.00	5,038.00
Reserve for:					
Public defender	941.19	1,542.00		941.19	1,542.00
Payroll deductions payable	0.00	22,039.55		0.00	22,039.55
Municipal open space	831,493.29	651,464.41	B-6	831,493.29	651,464.41
Site plan review escrow	436,123.29	516,926.20		436,123.29	516,926.20
Municipal functions developers fees	353,609.69	554,476.69		353,609.69	554,476.69
Police overtime	48,094.07	17,933.20		48,094.07	17,933.20
UCC trust	440,377.77	370,699.79		440,377.77	370,699.79
P.O.A.A. - parking fines	332.67	322.00		332.67	322.00
Police forfeited funds	8,350.49	9,068.40		8,350.49	9,068.40
Open space- municipal maintenance	522,475.40	581,664.66		522,475.40	581,664.66
Developers tree compensation	421,426.92	419,599.78		421,426.92	419,599.78
Snow removal	2,578.01	26,004.43		2,578.01	26,004.43
Developers recreation fees	57,203.84	24,203.84		57,203.84	24,203.84
COAH fees	124,925.97	62,253.52		124,925.97	62,253.52
Dedicated penalties - bureau of fire prevention	0.00	652.03		0.00	652.03
Woolwich recreation trust	64,862.89	43,223.86		64,862.89	43,223.86
Unemployment trust	8,617.53	5,818.69		8,617.53	5,818.69
	<u>4,017,741.94</u>	<u>4,307,997.67</u>		<u>4,017,741.94</u>	<u>4,307,997.67</u>
Total all funds	\$ 4,023,802.40	\$ 4,318,740.86		\$ 4,023,802.40	\$ 4,318,740.86

See accompanying notes to the financial statements.

**GENERAL CAPITAL FUND**

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2011 and 2010**

	Ref.	Balance December 31, 2011	Restated Balance December 31, 2010
<b><u>ASSETS</u></b>			
Cash - chief financial officer	C-2	\$ 612,020.22	\$ 1,641,919.12
State aid receivable		458,302.00	669,000.00
Due from Gloucester County Improvement Authority		434,384.70	43,691.43
Deferred charges to future taxation:			
Funded		6,818,905.18	7,194,542.63
Unfunded	C-4	1,056,521.00	1,190,000.00
Amount to be provided for retirement of obligations under capital leases		10,385,000.00	10,675,000.00
Due from current fund	A	117,975.37	0.00
Due from trust fund- other	B	236,730.35	236,730.35
		<u>\$ 20,119,838.82</u>	<u>\$ 21,650,883.53</u>

**LIABILITIES, RESERVES, AND FUND  
BALANCE**

Bond anticipation notes payable	C-7	\$ 833,076.00	\$ 855,000.00
Serial bonds payable	C-8	6,410,000.00	6,760,000.00
Green acres loan payable	C-9	408,905.18	434,542.63
Due to current fund	A	0.00	294,211.35
Due to municipal open space trust fund	B	394,602.00	394,602.00
Improvement authorizations:			
Funded	C-6	635,169.66	698,329.68
Unfunded	C-6	129,700.52	129,700.52
Contracts payable		211,762.30	564,697.31
Capital improvement fund	C-5	28,563.48	251,277.48
Reserve for insurance proceeds		324,797.71	324,797.71
Reserve for developers deposits		289,665.04	146,665.04
Obligations under capital leases	C-10	10,385,000.00	10,675,000.00
Fund balance	C-1	68,596.93	122,059.81
		<u>\$ 20,119,838.82</u>	<u>\$ 21,650,883.53</u>

See accompanying notes to the financial statements.

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**For the Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	\$ 122,059.81
Increased by:		
Improvement authorizations cancelled	C-6	67,970.32
		<u>190,030.13</u>
Decreased by:		
Appropriated to finance improvement authorizations	C-6	121,433.20
		<u>121,433.20</u>
Balance - December 31, 2011	C	<u><u>\$ 68,596.93</u></u>

See accompanying notes to the financial statements.

**PAYROLL ACCOUNT**

**TOWNSHIP OF WOOLWICH  
PAYROLL ACCOUNT  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
December 31, 2011 and 2010**

	<u>Ref.</u>	<u>Balance December 31, 2011</u>	<u>Balance December 31, 2010*</u>
<u>ASSETS</u>			
Cash - chief financial officer		\$ 32,616.63	\$ 0.00
		<u>\$ 32,616.63</u>	<u>\$ 0.00</u>
<u>LIABILITIES</u>			
Payroll taxes payable	F-1	\$ 25,665.55	\$ 0.00
Due to current fund	A	<u>6,951.08</u>	<u>0.00</u>
		<u>\$ 32,616.63</u>	<u>\$ 0.00</u>

\*The 2010 payroll accounts were included with the trust funds on Schedule B.

See accompanying notes to the financial statements.

**GENERAL FIXED ASSETS**



**NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Township of Woolwich was incorporated in 1798 and is located in the County of Gloucester in the State of New Jersey. The Township covers approximately 21.2 square miles with a population, according to the 2010 census, of 10,200. The governing body, the Township Committee, is comprised of five elected members who serve three-year terms. The Mayor and Deputy Mayor are elected by the members of the Committee, from within, and serve for a one-year term in this office.

The Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria to be used to determine which component units should be included in the financial statements of an oversight entity. The primary criterion for including activities within the reporting entity, as set forth in the Statement, is the degree of oversight responsibility maintained by the reporting entity. However, the State of New Jersey, Division of Local Government Services requires the financial statements of the Township to be presented separately. As such, the financial statements of the Township of Woolwich include each board, body, officer, or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S. 40A:5-5.

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

**B. Description of Funds**

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

**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. In addition, the fund is used to track the status of debt authorized for capital projects.

**Payroll Account** - receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

**General Fixed Assets Account Group** - to account for fixed assets used in governmental operations.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

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

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant policies in New Jersey follow.

**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. Fund balance utilized to balance budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget.

**Expenditures** - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in accordance with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as cash liability in the financial statements. 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. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. 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.

**Property Taxes** - 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. All unpaid taxes levied become delinquent January 1 of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

**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.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Insurance** - Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

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

**C. Basis of Accounting (Continued)**

**Compensated Absences** - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. New Jersey municipalities are permitted to accrue a compensated absences liability. The Township has not begun to accumulate funds for accrued absences. See Note 16 for additional information on the Township's compensated absences policy.

**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** - The Township has developed a fixed asset accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are to be 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 valued at historical cost or estimated historical cost if actual historical costs is not available, except for land which is valued at assessed value at the time the land is foreclosed or donated. Land purchased by the Township is valued at cost.

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 have not been accounted for separately.

**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.

**Budgets** - The governing body prepares and approves by resolution an operating and capital budget for the Current Fund which is then submitted for certification to the State of New Jersey, Department of Community Affairs, Director of Local Government Services. Upon the receipt of such certification and after a public hearing, the budget is then adopted by resolution. Transfers of budgeted amounts may be made by resolution of the Township Committee subsequent to October 31 in the current budget year and up to March 31 of the following year.

Once adopted, the Township may make emergency appropriations for purposes which are not known at the time the budget was adopted per N.J.S.A. 40A:4-46. Also, the Township may make amendments to the budget for any special item of revenue made available by any public or private funding source per N.J.S.A. 40A:4-87.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

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

**C. Basis of Accounting (Continued)**

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

**School Taxes** - The municipality is responsible for levying, collecting, and remitting school taxes for the Swedesboro-Woolwich Consolidated School District and the Township's share of the Kingsway Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the regional high school district for the period from January 1 to December 31 and for the consolidated school district the Township's share of the amount required to be raised by taxation for the period July 1 to June 30, increased by the amount deferred at December 31, 2010 and decreased by the amount deferred at December 31, 2011.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting the Township's share of county taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Fund Balance** - Fund balances included in the current fund represent amounts available for anticipation as revenue in futures years budgets, with certain restrictions.

**Capitalization of Interest** - It is the policy of the Township of Woolwich to treat interest on projects as a current expense and the interest is included in the current operating budget.

**Comparative Data** - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements because its inclusion would make the statements unduly complex and difficult to read.

**Use of Estimates** - The preparation of financial statements in accordance with accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**C. Basis of Accounting (Concluded)**

**Departures from Generally Accepted Accounting Principles** - The accounting principles and practices followed by the Township of Woolwich 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 and recognized as a revenue in the year of liquidation.

Unexpended and uncommitted appropriations are reflected as expenditures.

Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.

No provision is made for accumulated vested vacation and sick leave.

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.

Depreciation expense is not calculated on fixed assets.

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

**NOTE 2 - INVESTMENTS**

As of December 31, 2011 and 2010, the Township did not have any investments.

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

**Credit Risk** - New Jersey Statute 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are bonds of the United States of America, the local unit, or school districts of which the local unit is a part: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The Township places no limit on the amount the Township may invest in any one issuer.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 3 - CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, 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 Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, escrow trust, or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of December 31, 2011, the Township's bank balances were exposed to custodial credit risk as follows:

Insurance	\$ 1,018,942.18
Uninsured and collateralized with securities held by pledging financial institutions (GUDPA)	<u>10,328,921.99</u>
	<u>\$11,347,864.17</u>

TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2011:

	Due To						Total Due From
	Due From	Current Fund	State and Federal Grant Fund	Trust Fund Other	General Capital Fund	Total Due From	
Current fund		\$ 0.00	\$ 119,707.69	\$ 123,236.03	\$ 117,975.37	\$ 360,919.09	
Dog license trust fund		55.01	0.00	0.00	0.00	55.01	
Other trust fund		0.00	0.00	0.00	236,730.35	236,730.35	
General capital fund		0.00	0.00	394,602.00	0.00	394,602.00	
Payroll fund		6,951.08	0.00	0.00	0.00	6,951.08	
		<u>7,006.09</u>	<u>119,707.69</u>	<u>517,838.03</u>	<u>354,705.72</u>	<u>999,257.53</u>	
Total due to		\$ 7,006.09	\$ 119,707.69	\$ 517,838.03	\$ 354,705.72	\$ 999,257.53	

Most grants are on a reimbursement basis. The interfund with the grant fund is the result of expenditures prior to year end that were not reimbursed. In addition, there is an interfund between the trust fund and the general capital fund for an improvement authorization from a previous year. Most interfunds from the trust fund the current fund are due to interest earned during 2011 that were not turned over to the current fund prior to year end.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 5 - PROPERTY TAXES**

The following is a three year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

**Comparison of Tax Rate Information**

	2011	2010	2009
Total Tax Rate	<u>\$ 5.009</u>	<u>\$ 4.999</u>	<u>\$ 4.746</u>
Apportionate of Tax Rate:			
Municipal	\$ .655	\$ .655	\$ .655
County	1.088	1.148	1.190
Local School	2.126	2.117	1.908
Regional High School	1.090	1.029	0.943
Municipal Open Space	0.050	0.050	0.050
Assessed Valuation:			
2011	\$ 628,553,882.00		
2010		\$ 620,459,435.00	
2009			\$ 617,844,922.00

**Comparison of Tax Levies and Collection Currently**

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

Year	Tax Levy	Currently	
		Cash Collections	Percentage Of Collection
2011	\$ 31,722,641.47	\$ 30,400,265.97	95.83%
2010	\$ 31,441,897.40	\$ 30,822,858.38	98.03%
2009	\$ 29,674,757.90	\$ 29,010,189.80	97.76%

**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
2011	\$ 116,797.50	\$ 1,223,357.27	\$ 1,340,154.77	4.22%
2010	\$ 71,114.97	\$ 566,046.90	\$ 637,161.87	2.03%
2009	\$ 37,537.59	\$ 671,000.88	\$ 708,538.47	2.38%

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 5 - PROPERTY TAXES (Concluded)**

**Property Acquired by Tax Title Lien Liquidation**

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

Year	Amount
2011	\$ -
2010	\$ -
2009	\$ -

**NOTE 6 - FUND BALANCES APPROPRIATED**

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

	Year	December 31	Utilized In Approved Budget Of Succeeding Year
Current Fund:	2011	\$ 3,246,594.58	\$ 1,800,000.00
	2010	\$ 2,887,557.72	\$ 1,701,282.00
	2009	\$ 4,620,545.68	\$ 2,393,000.00
	2008	\$ 4,105,055.99	\$ 2,575,000.00
	2007	\$ 5,734,680.50	\$ 2,795,000.00

**NOTE 7 - TAXES COLLECTED IN ADVANCE**

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

	Balance December 31, 2011	Balance December 31, 2010
Prepaid Taxes	\$ 145,460.15	\$ 122,384.54

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 8 - LONG-TERM DEBT**

During the calendar year 2011, the following changes occurred in the municipal debt of the Township:

	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011	Due in One Year
General	\$ 7,194,542.63	\$ 0.00	\$ 375,637.45	\$ 6,818,905.18	\$ 386,152.77
Compensated absences payable*	53,509.90	39,145.16	0.00	92,655.06	0.00
<b>Total</b>	<b>\$ 7,248,052.53</b>	<b>\$ 39,145.16</b>	<b>\$ 375,637.45</b>	<b>\$ 6,911,560.24</b>	<b>\$ 386,152.77</b>

\*See Note 16 - Compensated Absences.

Paid by current fund:

\$7,985,000.00 general improvements bonds dated December 22, 2006, payable in annual installments through December 15, 2025. \$350,000.00 was paid on December 15, 2011. Interest is paid semi-annually at 4%. The balance remaining at December 31, 2011 was \$6,410,000.00.

\$150,000.00 green acres loan payable for improvements to Locke Avenue Park dated January 4, 2002, payable in semi-annual installments, varied amounts through January 12, 2022. \$7,456.56 of principal was paid during 2011. Interest is paid semi-annually at 2.00%. The balance at December 31, 2011 was \$87,944.06.

\$400,000.00 green acres loan payable for Park Expansion dated April 26, 2007, payable in semi-annual installments of \$12,436.64 through October 26, 2026. \$18,180.89 of principal was paid during 2011. Interest is paid semi-annually at 2.00%. The balance at December 31, 2011 was \$320,961.12

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

Year Ended December 31	Principal	Interest	Total
2012	\$ 360,000.00	\$ 256,400.00	\$ 616,400.00
2013	375,000.00	242,000.00	617,000.00
2014	390,000.00	227,000.00	617,000.00
2015	400,000.00	211,400.00	611,400.00
2016	415,000.00	195,400.00	610,400.00
2017-2021	2,295,000.00	717,600.00	3,012,600.00
2022-2025	2,175,000.00	221,800.00	2,396,800.00
	<u>\$ 6,410,000.00</u>	<u>\$ 2,071,600.00</u>	<u>\$ 8,481,600.00</u>

**Schedule of Annual Debt Service for Principal and Interest for Green Acres Loan**

Year Ended December 31	Principal	Interest	Total
2012	\$ 26,152.77	\$ 7,206.39	\$ 33,359.16
2013	26,678.43	6,757.55	33,435.98
2014	27,214.68	6,299.68	33,514.36
2015	27,761.68	5,832.61	33,594.29
2016	28,319.69	5,356.15	33,675.84
2017-2021	150,369.15	19,291.87	169,661.02
2022-2026	122,408.78	6,621.35	129,030.13
	<u>\$ 408,905.18</u>	<u>\$ 57,365.60</u>	<u>\$ 466,270.78</u>

As of December 31, 2011, the carrying value of the above bonds approximate the fair market value of the bonds.

**Summary of Municipal Debt**

	2011	2010	2009
Bonds, notes and loans issued	\$ 18,036,981.18	\$ 18,724,542.63	\$ 20,019,674.92
Bonds and notes authorized but not issued	223,445.00	335,000.00	-
Net bonds and notes issued and authorized but not issued	<u>18,260,426.18</u>	<u>19,059,542.63</u>	<u>20,019,674.92</u>
Deductions:			
Capital leases	10,385,000.00	10,675,000.00	10,955,000.00
Tax refunding payment ordinance	223,445.00	335,000.00	-
Funds held to pay bonds and notes	-	-	325,000.00
Total deductions	<u>10,608,445.00</u>	<u>11,010,000.00</u>	<u>11,280,000.00</u>
Net debt	<u>\$ 7,651,981.18</u>	<u>\$ 8,049,542.63</u>	<u>\$ 8,739,674.92</u>

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 8 - LONG-TERM DEBT (Concluded)**

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of \$18,253,349.12.

	Gross Debt	Deduction	Net Debt
Local School District Debt	\$ 39,594,117.94	\$ 29,216,195.00	\$ 10,377,922.94
Regional High School District Debt	21,114,567.98	21,114,567.98	-
General Debt	18,260,426.18	10,385,000.00	7,875,426.18
	<b>\$ 78,969,112.10</b>	<b>\$ 60,715,762.98</b>	<b>\$ 18,253,349.12</b>

Net Debt \$18,253,349.12 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$1,168,647,800.00 = 1.56%.

**Equalized Valuation Basis**

2009	\$1,198,823,804.00
2010	1,169,310,599.00
2011	1,137,808,997.00
Average	<b>\$1,168,647,800.00</b>

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

3 1/2% Of Equalized Valuation Basis (Municipal)	\$ 40,902,673.00
Net Debt	18,253,349.12
Remaining Borrowing Power	<b>\$ 22,649,323.88</b>

The Swedesboro-Woolwich Consolidated School District, as a K-6 school district, is permitted to borrow up to 2.5% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the district's limitations with voter approval. Any amounts in excess of the limit is treated as an impairment of the municipal limit. At December 31, 2011, the School District was utilizing \$10,377,922.94 of municipal borrowing power.

The Kingsway Regional High School District is a 7-12 regional school district and as a result the amount of debt issued is not subject to any statutory limitation based on average equalized valuations. Debt is allocated based on the municipality's equalized valuation as a percentage of the total regional school district's assessed valuation. Since all debt authorized by the regional school district is deductible, it does not effect the debt of the municipality.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 9 - BOND ANTICIPATION NOTES**

The Township has outstanding at December 31, 2011 and 2010, bond anticipation notes in the general capital fund in the amount of \$833,076.00 and \$855,000.00, respectively. The December 31, 2011 amount payable to Bearer is \$833,076.00, bears an interest rate of 1.13% and matures on December 7, 2012. These funds were used for the acquisition of land - former Nike base.

**NOTE 10 - PENSION FUNDS**

**Description of Plans**

Substantially all of the Township's employees are covered by the Public Employees' Retirement System (PERS) or the Police and Fireman's Retirement System (PFRS) cost-sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division).

According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the systems terminate. The Division issues publicly available financial reports that include the financial statements and required supplementary information for the Public Employees' Retirement System and Police and Fireman's Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

*Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

*Police and Fireman's Retirement System*

The Police and Fireman's Retirement System was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions in law enforcement or fire fighting in the State of New Jersey. Members are eligible for retirement at age fifty-five with a benefit equal to two percent of final compensation for each year of creditable service up to twenty years. Members with at least twenty years but less than twenty-five years of service credit will receive fifty percent of final compensation. Special retirement is available at any age to those with twenty-five years of service credit. The annual benefit calculation is equal to sixty-five percent of final compensation plus one percent for each year of creditable service over twenty-five years but not to exceed thirty years.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 10 - PENSION FUNDS (Concluded)**

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. 1994, Chapter 115, P.L. 1997, and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The Public Employees' Retirement System (PERS) and the Police and Fireman's Retirement System (PFRS) provide for employee contributions of 5.5% and 6.5% as of October 1, 2011, and 8.5% and 10% as of October 1, 2010 of employees' annual compensation respectively, as defined. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS. The PERS and PFRS employer rates in effect for 2011 are 11.05% and 29.36% of covered payroll, respectively, as reported on June 30, 2009. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Township's contributions to PERS for the years ended December 31, 2011, 2010, and 2009 were \$145,120.00, \$89,204.00, and \$85,953.00, respectively, equal to the required contributions for each year. The Township's contributions to PFRS for the years ended December 31, 2011, 2010, and 2009 were \$304,350.00, \$247,401.00, and \$196,512.00, respectively, equal to the required contributions for each year.

*Defined Contribution Retirement Program*

The Township established a Defined Contribution Retirement Program (DCRP) as required by Chapter 92 of the Laws of 2007 and N.J.S.A. 43:15C-1 et seq. DCRP provides for employee contributions of 5.5% and 6.5% as of October 1, 2011, of employees annual base salary. Employers are required to contribute 3% of the employees' base salary. The Township's contributions to DCRP for the year ended December 31, 2011, 2010, and 2009 were \$915.12, \$104.55, and \$0.00, respectively, equal to the required contributions for each year.

**NOTE 11 - POST-RETIREMENT BENEFITS**

As indicated in Note 10 above, employees of the Township of Woolwich are members of the Public Employees' Retirement System and the Police and Fireman's Retirement System however, as of December 31, 2011, they are not members of the State Health Benefits Plan.

**NOTE 12 - SCHOOL TAXES**

School taxes in the State of New Jersey may be raised by either of the following methods:

Calendar year basis - whereby the tax is levied and paid based on the District's needs for one-half of each school year encompassed in the calendar year.

School year basis - taxes are raised for the school year commencing July 1 of the current year, paid out over the twelve months beginning with July 1.

The Kingsway Regional Board of Education raise taxes on a calendar year basis and therefore, has no school taxes payable or deferred at December 31, 2011.

The Swedesboro-Woolwich Consolidated School District taxes are raised on a school year basis. Regulations provide for the deferral of not more than 50% of annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. In the Township of Woolwich's case, the amount of \$6,683,678.08 would be the maximum amount permitted to be deferred as of December 31, 2011, under these regulations. The Township, in prior years, elected to defer school taxes in the amount of \$2,210,504.32. During the year 2011, the Township elected to defer an additional \$1,700,000.00 for a total accumulation of such deferrals of \$3,910,504.32.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 12 - SCHOOL TAXES (Concluded)**

The Swedesboro-Woolwich Consolidated School tax has been raised and the liability deferred by statutes, resulting in the school tax payable as set forth in the current fund liabilities as follows:

	Balance December 31, 2011	Balance December 31, 2010
Balance of tax due to school district	\$ 6,683,678.39	\$ 6,567,180.90
Amount of balance deferred	3,910,504.32	2,210,504.32
School tax payable	\$ 2,773,174.07	\$ 4,356,676.58

**NOTE 13 - GENERAL FIXED ASSETS**

General fixed assets activity for the years ended December 31, 2011 and 2010 was as follows:

	Balance December 31, 2010	Additions	Disposals/ Adjustments	Balance December 31, 2011
Land and buildings	\$ 6,266,300.00	\$ 711,800.00	\$ 573,400.00	\$ 6,404,700.00
Improvements other than buildings	84,900.00	-	-	84,900.00
Equipment	2,805,119.00	74,893.00	40,272.00	2,839,740.00
	\$ 9,156,319.00	\$ 786,693.00	\$ 613,672.00	\$ 9,329,340.00

	Balance December 31, 2009	Additions	Disposals/ Adjustments	Balance December 31, 2010
Land and buildings	\$ 6,443,500.00	\$ -	\$ 177,200.00	\$ 6,266,300.00
Improvements other than buildings	84,900.00	-	-	84,900.00
Equipment	2,703,603.00	195,163.00	93,647.00	2,805,119.00
	\$ 9,232,003.00	\$ 195,163.00	\$ 270,847.00	\$ 9,156,319.00

**NOTE 14 - DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges were shown on the balance sheets of the various funds:

	Balance December 31, 2011	2012 Budget	Balance To Succeeding Budgets
Current fund:			
Special emergency appropriation:			
Master plan	\$ 120,000.00	\$ 120,000.00	\$ -
Tax map revisions	\$ 79,250.00	\$ 15,850.00	\$ 63,400.00
Emergency authorization	\$ 30,000.00	\$ 30,000.00	\$ -

The appropriations in the 2012 budget are not less than those required by statute.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 15 - 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 through the Gloucester, Salem, and Cumberland Counties Municipal Joint Insurance Fund.

The Fund provides the Township with the following coverage:

- Property Policy
- Automobile Policy
- Crime Policy and Excess Crime Policy
- Casualty Policy
- Workers' Compensation and Excess Workers Compensation Policy
- Environmental Legal Liability Policy
- Excess Liability Policy
- Public Officials and Employment Liability Policy
- Volunteer Directors and Officers Policy

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$250,000.00 based on the line of coverage for each insured event.

The fund publishes its own financial report for the year ended December 31, 2011, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund  
Post Office Box 488  
Marlton, New Jersey 08053

**NOTE 16 - COMPENSATED ABSENCES**

Full-time employees are entitled to 6 paid sick days each year. Township employees may accumulate and carryforward sick time to a maximum of 30 days. There is a maximum pay-out of \$10,000.00 and is paid at the rate of pay upon retirement. Up to 5 vacation days not used during the year may be carried forward, however, no accumulation of vacation time is permitted. Employees are paid for all accrued vacation time at retirement only.

Full-time police are entitled to 120 paid sick leave hours each year. Sick time may be accumulated and carried forward to subsequent years, however, no sick time is paid upon termination or retirement. Up to 4 vacation days not used during the year may be carried forward. Employees are paid for all accrued vacation time at retirement only.

At December 31, 2011 and 2010, the Township estimates this liability to approximate \$92,655.06 and \$53,509.90, respectively. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12. Effective January 1, 2002, the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The Township has not yet established an accrual.

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 17 - DEFERRED COMPENSATION**

Employees of the Township of Woolwich may participate in a deferred compensation plan adopted under the provisions of the Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**NOTE 18 - LEASE OBLIGATIONS**

At December 31, 2011, the Township had a capital lease agreement in effect for the following:

Municipal building construction

The following is an analysis of the capital lease:

Capital lease - the following capital fixed assets were acquired by capital lease:

	<u>Balance December 31, 2011</u>	<u>Balance December 31, 2010</u>
Municipal building	<u>\$ 10,385,000.00</u>	<u>\$ 10,675,000.00</u>

Future minimum lease payments under the capital lease agreement is as follows:

<u>Year</u>	<u>Payment Amount</u>
2012	\$ 300,000.00
2013	315,000.00
2014	330,000.00
2015	345,000.00
2016	365,000.00
2017-2021	2,100,000.00
2022-2026	2,620,000.00
2027-2031	3,265,000.00
2032	<u>745,000.00</u>
	<u>\$ 10,385,000.00</u>

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011**

**NOTE 19 - NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for the amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ -	\$ 8,408.54	\$ 8,617.53
2010	-	3,661.46	5,818.69
2009	-	1,287.26	9,394.11

**NOTE 20 - LITIGATION**

It is the Township Counsel's opinion there exists no litigation or contingent liability that may be pending against the Township of Woolwich that would have an adverse effect on the financial position in the future.

**NOTE 21 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through August 7, 2012, which is the date that the financial statements were available to be issued.

**CURRENT FUND**

**\*\*SCHEDULES\*\***

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2011

	<u>Ref.</u>		\$	7,579,350.55
Balance - December 31, 2010	A			
Increased by:				
Tax collector	A-5	\$	31,096,438.06	
Miscellaneous revenue not anticipated	A-2		120,131.02	
Revenue accounts receivable	A-8		1,501,521.61	
State of New Jersey - statutory deduction			52,000.00	
Amount due from dog license trust fund	B-1		1,767.90	
Amount due to trust fund - other			592,046.87	
Amount due to general capital fund			294,211.35	
Garden state trust PILOT	A-2		5,939.00	
Due from payroll account			51,164.91	
Due to State of New Jersey- marriage license fees			700.00	
Budget appropriations reimbursed	Contra		104,221.65	
Unappropriated grant funds	A-13		25,807.74	
State grants receivable	A-12		20,405.42	
			<u>33,866,355.53</u>	
			41,445,706.08	
Decreased by:				
2011 budget appropriations	A-3		6,998,474.05	
2010 appropriation reserves	A-9		258,501.44	

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2011

	<u>Ref.</u>	
Decreased by (concluded):		
Refund tax overpayments		\$ 77,329.38
Accounts payable		1,750.00
Amount due to general capital fund		33,583.53
Local district school tax	A-10	13,250,858.67
Regional school district tax	A-11	6,853,195.77
County taxes	A-6	6,830,457.00
Amount due county for added taxes	A	97,487.13
Local open space tax payable	A-6	314,276.94
Budget appropriations reimbursed	Contra	104,221.65
Due to State of New Jersey- marriage license fees		750.00
State and federal grant prior year encumbrances	A	2,397.90
Reserve for state grants	A-14	81,667.96
		<hr/>
Balance - December 31, 2011	A	\$ 34,904,951.42
		<hr/> <hr/>
		\$ 6,540,754.66

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**SCHEDULE OF CURRENT CASH - COLLECTOR**  
**For the Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	A		\$ 403,804.51
Increased by:			
Interest and cost on taxes	A-2	\$ 124,329.64	
Non-budget revenues	A-2	12,025.14	
Taxes receivable	A-6	30,802,953.30	
Tax title liens receivable	A-7	5,214.40	
Taxes collected in advance	A	145,460.15	
Tax overpayments		<u>61,347.22</u>	
			<u>31,151,329.85</u>
			31,555,134.36
Decreased by:			
Payments to chief financial officer	A-4	31,096,438.06	
Payments due from tax title lien redemption trust		<u>14,265.59</u>	
			<u>31,110,703.65</u>
Balance - December 31, 2011	A		<u><u>\$ 444,430.71</u></u>

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
For the Year Ended December 31, 2011

Year	Balance December 31, 2010	Levy	Added Taxes	2010 Collections	2011 Collections	Due From State Of New Jersey	Adjustments And/Or Canceled	Transferred To Tax Title Liens	Balance December 31, 2011
2001	\$ 5,303.63	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,303.63	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2004	1,420.68	0.00	0.00	0.00	1,420.68	0.00	0.00	0.00	0.00
2005	1,245.09	0.00	0.00	0.00	1,245.09	0.00	0.00	0.00	0.00
2007	14.68	0.00	0.00	0.00	14.68	0.00	0.00	0.00	0.00
2008	12,913.04	0.00	0.00	0.00	12,913.04	0.00	0.00	0.00	0.00
2009	5,066.79	0.00	0.00	0.00	5,066.79	0.00	0.00	0.00	0.00
2010	540,082.99	0.00	12,469.21	0.00	548,107.96	0.00	0.00	4,444.24	0.00
	566,046.90	0.00	12,469.21	0.00	574,071.87	0.00	0.00	4,444.24	0.00
	0.00	31,722,641.47	0.00	122,384.54	30,228,881.43	49,000.00	53,291.22	45,727.01	1,223,357.27
2010	\$ 566,046.90	\$ 31,722,641.47	\$ 12,469.21	\$ 122,384.54	\$ 30,802,953.30	\$ 49,000.00	\$ 53,291.22	\$ 50,171.25	\$ 1,223,357.27

Ref. A

Cash receipts - tax collector

Ref.

A-5

\$ 30,802,953.30

\$ 30,802,953.30

Analysis of 2011 property tax levy:

Tax yield:

General property tax \$ 31,484,266.24  
 Added and rollback taxes (54:4-63.1 et seq.) 238,375.23

\$ 31,722,641.47

Tax levy:

Local district school tax \$ 13,367,356.16  
 Regional high school district tax 6,853,195.77  
 County tax  
 Due county for added taxes 6,885,097.76  
 Total county taxes  
 Municipal open space tax 314,276.94  
 Due municipal open space for added taxes 2,504.29  
 Total municipal open space taxes 316,781.23  
 Local tax for municipal purposes levied  
 Add: additional tax levied 4,118,276.77  
 Local tax for municipal purposes levied 181,933.78

\$ 31,722,641.47

A-7 A

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
For the Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	A	\$	71,114.97
Increased by:			
Transfers from taxes receivable	A-6	\$	50,171.25
Interest and cost on tax sale			<u>725.68</u>
			<u>50,896.93</u>
			122,011.90
Decreased by:			
Cash collected	A-5		<u>5,214.40</u>
Balance - December 31, 2011	A	\$	<u><u>116,797.50</u></u>

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
For the Year Ended December 31, 2011

	Balance December 31, 2010	Accrued In 2011	Collections- Chief Financial Officer	Balance December 31, 2011
Municipal court:				
Fines and costs	\$ 16,680.55	\$ 183,129.23	\$ 188,147.57	\$ 11,662.21
Energy receipt tax	0.00	414,809.00	414,809.00	0.00
Shared services- Swedesboro:				
Police coverage and protection	0.00	505,620.00	505,620.00	0.00
Recreation	0.00	7,075.00	7,075.00	0.00
Aid to volunteer fire company	0.00	25,125.00	25,125.00	0.00
Cable television franchise fees	0.00	43,658.41	20,930.64	22,727.77
Contributions from municipal functions trust fund	0.00	194,912.00	194,912.00	0.00
Contributions from developers open space trust fund	0.00	50,000.00	50,000.00	0.00
Contribution from recreation trust fund	0.00	25,000.00	25,000.00	0.00
Kingsway Regional School District	0.00	69,902.40	69,902.40	0.00
<b>Total</b>	<b>\$ 16,680.55</b>	<b>\$ 1,519,231.04</b>	<b>\$ 1,501,521.61</b>	<b>\$ 34,389.98</b>

Ref. A

A-4

A

TOWNSHIP OF WOOLWICH  
 CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES - 2010  
 For the Year Ended December 31, 2011

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Lapsed
Salaries and wages:				
General administration	\$ 1,500.00	\$ 1,500.00	\$ 0.00	\$ 1,500.00
Mayor and township committee	41.58	41.58	0.00	41.58
Municipal clerk	3,532.76	3,532.76	0.00	3,532.76
Financial administration	4,790.89	4,790.89	0.00	4,790.89
Revenue administration (tax collector)	662.12	662.12	0.00	662.12
Tax assessment administration	266.63	266.63	0.00	266.63
Planning board	1,026.36	1,026.36	0.00	1,026.36
Police	84,109.48	84,109.48	11,056.57	73,052.91
Emergency management	5,000.00	5,000.00	0.00	5,000.00
Municipal court	1,302.92	1,302.92	0.00	1,302.92
Snow removal	4,949.48	4,949.48	0.00	4,949.48
Public buildings and grounds	6,180.38	4,880.38	0.00	4,880.38
Public health services	162.03	162.03	0.00	162.03
Salary and wage adjustment account	1,000.00	1,000.00	0.00	1,000.00
Public defender	1,850.00	1,850.00	0.00	1,850.00
Other expenses:				
General administration	11,816.28	11,816.28	6,817.08	4,999.20
Mayor and township committee	3,762.94	3,762.94	449.00	3,313.94
Municipal clerk	4,584.65	4,584.65	228.85	4,355.80
Financial administration	9,069.94	9,069.94	5,925.78	3,144.16
Revenue administration (tax collector)	4,437.96	4,437.96	710.00	3,727.96

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2010  
For the Year Ended December 31, 2011

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (continued):				
Tax assessment administration	\$ 3,822.37	\$ 3,822.37	\$ 1,867.92	\$ 1,954.45
Legal services and costs	52,980.51	49,980.51	22,374.38	27,606.13
Engineering services and costs	11,524.25	16,524.25	12,582.50	3,941.75
Economic development	3,124.25	1,124.25	0.00	1,124.25
Planning board	9,741.33	8,741.33	3,913.28	4,828.05
Insurance:				
Workmens compensation insurance	2,448.00	1,448.00	0.00	1,448.00
Employee group insurance	2,481.54	2,481.54	0.00	2,481.54
Police	16,555.37	16,555.37	13,939.94	2,615.43
Emergency management	2,327.87	2,327.87	0.00	2,327.87
Aid to volunteer fire company	32,196.16	30,196.16	22,258.43	7,937.73
Municipal court	6,697.60	6,697.60	614.00	6,083.60
Road repair and maintenance	5,460.84	5,460.84	854.94	4,605.90
Snow removal	30,830.05	30,830.05	721.78	30,108.27
Solid waste collection	910.77	910.77	0.00	910.77
Public buildings and grounds	10,177.22	10,177.22	7,824.21	2,353.01
Vehicle maintenance	12,083.07	12,083.07	11,442.79	640.28
Public health services	920.50	920.50	0.00	920.50
Environmental committee	1,057.00	1,057.00	0.00	1,057.00
Recreation services and programs	8,056.73	8,056.73	0.00	8,056.73
Maintenance of parks	4,540.76	3,540.76	2,142.01	1,398.75

See accompanying auditor's report.

EXHIBIT A-9  
(Continued)

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2010  
For the Year Ended December 31, 2011

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Lapsed
Other expenses (concluded):				
Celebration of public events	\$ 2,203.27	\$ 1,203.27	\$ 0.00	\$ 1,203.27
Utility expenses:				
Electricity	1,305.52	1,305.52	0.00	1,305.52
Street lighting	6,294.05	6,294.05	3,887.87	2,406.18
Telephone	7,192.55	7,192.55	4,479.92	2,712.63
Water/fire hydrant service	20,683.09	21,983.09	21,934.80	48.29
Fuel oil	3,490.35	3,490.35	0.00	3,490.35
Gasoline	5,405.40	5,405.40	3,248.06	2,157.34
Sanitary landfill	79,755.39	75,755.39	56,798.58	18,956.81
Statutory expenditures:				
Defined contribution retirement program	2,000.00	12,000.00	0.00	12,000.00
Outside "CAPS":				
Employee health insurance	500.00	500.00	500.00	0.00
Interlocal service agreements- Swedesboro:				
Fire company	3,093.76	3,093.76	2,099.15	994.61
Recreation	2,090.05	2,090.05	1,803.95	286.10
Police	50,529.32	50,529.32	50,529.32	0.00
<b>Total</b>	<b>\$ 552,525.34</b>	<b>\$ 552,525.34</b>	<b>\$ 271,005.11</b>	<b>\$ 281,520.23</b>

Ref.

A-1

See accompanying auditor's report.

EXHIBIT A-9  
(Concluded)

TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2010  
For the Year Ended December 31, 2011

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Lapsed
<u>Ref.</u>				
Analysis of balance:				
Appropriation reserves	\$ 433,444.39			
Reserve for encumbrances	<u>119,080.95</u>			
	\$ <u>552,525.34</u>			
Cash disbursements			\$ 258,501.44	
Accounts payable			<u>12,503.67</u>	
			\$ <u>271,005.11</u>	

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES**  
**For the Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010:			
Deferred	A	\$ 2,210,504.32	
Payable	A	<u>4,356,676.58</u>	
			\$ 6,567,180.90
Increased by:			
Levy for 2011-2012 school year	A-1		<u>13,367,356.16</u>
			<u>19,934,537.06</u>
Decreased by:			
Payments	A-4		<u>13,250,858.67</u>
Balance - December 31, 2011:			
Deferred	A	\$ 3,910,504.32	
Payable	A	<u>2,773,174.07</u>	
			<u>\$ 6,683,678.39</u>
Liability for local school district tax:			
Tax paid	A-10		\$ 13,250,858.67
Tax payable- December 31, 2011	A-10		<u>2,773,174.07</u>
			<u>16,024,032.74</u>
Tax payable- December 31, 2010	A-10		<u>4,356,676.58</u>
Amount charged to operations	A-1		<u>\$ 11,667,356.16</u>

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
 CURRENT FUND  
 SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAX  
 For the Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	A	\$ 0.00
Increased by:		
Levy for calendar year 2011	A-1	<u>6,853,195.77</u>
		6,853,195.77
Decreased by:		
Payments	A-4	<u>6,853,195.77</u>
Balance - December 31, 2011	A	<u><u>\$ 0.00</u></u>

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
For the Year Ended December 31, 2011**

Purpose	Balance December 31, 2010	2011 Revenue	Received	Unappropriated Reserves Realized	Balance December 31, 2011
<b>State grants:</b>					
Clean communities grant	\$ 0.00	\$ 17,605.41	\$ 17,605.41	\$ 0.00	\$ 0.00
Municipal alliance for drug and alcohol abuse	8,740.20	4,895.00	0.00	0.00	13,635.20
SHARE grant	672.94	0.00	672.94	0.00	0.00
Department of criminal justice - body armor grant	50.13	2,076.94	2,127.07	0.00	0.00
Sustainable Jersey small grant	0.00	25,000.00	0.00	0.00	25,000.00
Recycling tonnage grant	0.00	36,519.55	0.00	36,519.55	0.00
<b>Federal grants:</b>					
Community development block grant	<u>26,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>26,000.00</u>
	<u>\$ 35,463.27</u>	<u>\$ 86,096.90</u>	<u>\$ 20,405.42</u>	<u>\$ 36,519.55</u>	<u>\$ 64,635.20</u>
Federal grants	\$ 26,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 26,000.00
State grants	<u>9,463.27</u>	<u>86,096.90</u>	<u>20,405.42</u>	<u>36,519.55</u>	<u>38,635.20</u>
	<u>\$ 35,463.27</u>	<u>\$ 86,096.90</u>	<u>\$ 20,405.42</u>	<u>\$ 36,519.55</u>	<u>\$ 64,635.20</u>

Ref. A A-2 A-4 A-13 A

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
 STATE AND FEDERAL GRANT  
 SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED  
 For the Year Ended December 31, 2011

	Balance December 31, 2010	Receipts	Anticipated In 2011 Budget	Balance December 31, 2011
Recycling tonnage grant	\$ 36,519.55	\$ 25,240.94	\$ 36,519.55	\$ 25,240.94
Drunk driving enforcement fund	7,006.60	0.00	0.00	7,006.60
Body armor grant	3,351.21	162.29	0.00	3,513.50
Alcohol education rehabilitation grant	930.05	404.51	0.00	1,334.56
	<u>\$ 47,807.41</u>	<u>\$ 25,807.74</u>	<u>\$ 36,519.55</u>	<u>\$ 37,095.60</u>

Ref.

A

A-4

A-12

A

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS APPROPRIATED  
For the Year Ended December 31, 2011**

	Balance December 31, 2010	Transferred From 2011 Budget Appropriations	Expended	Balance December 31, 2011
State grants:				
Recycling tonnage grant	\$ 44,127.16	\$ 36,519.55	\$ 33,607.17	\$ 47,039.54
SHARE grant	19,918.99	0.00	0.00	19,918.99
NJ Forest Services- green community grant	0.00	0.00	0.00	0.00
Clean communities grant	25,407.84	17,605.41	11,800.90	31,212.35
Municipal alliance for drug and alcohol abuse:				
State share	0.00	4,895.00	0.00	4,895.00
Municipal share	16,359.31	1,223.00	0.00	17,582.31
Drunk driving enforcement fund	5,715.53	0.00	182.95	5,532.58
Hazardous site remediation grants:				
Jersey fresh grant	600.00	0.00	0.00	600.00
Alcohol education rehabilitation grant:				
Municipal court - salaries and wages	13,531.83	0.00	1,616.00	11,915.83
Department of criminal justice - body armor grant	3,566.36	2,076.94	2,076.94	3,566.36
Recycling tonnage grant	0.00	0.00	0.00	0.00
Department of environmental protection - municipal storm				
Sustainable Jersey small grant	0.00	25,000.00	21,750.00	3,250.00

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR STATE AND FEDERAL GRANTS APPROPRIATED  
For the Year Ended December 31, 2011**

	Balance December 31, 2010	Transferred From 2011 Budget Appropriations	Expended	Balance December 31, 2011	
Federal grants:					
Municipal stormwater regulation grant	\$ 588.50	\$ 0.00	\$ 0.00	\$ 588.50	
Community development block grant	11,779.83	0.00	10,634.00	1,145.83	
	<u>\$ 141,595.35</u>	<u>\$ 87,319.90</u>	<u>\$ 81,667.96</u>	<u>\$ 147,247.29</u>	
	Ref. A	A-3		A	
Federal grants	\$ 12,368.33	\$ 0.00	\$ 10,634.00	\$ 1,734.33	
State grants	112,867.71	86,096.90	71,033.96	127,930.65	
Municipal funds	16,359.31	1,223.00	0.00	17,582.31	
	<u>\$ 141,595.35</u>	<u>\$ 87,319.90</u>	<u>\$ 81,667.96</u>	<u>\$ 147,247.29</u>	
	A	A-2	A-4	A	

See accompanying auditor's report.

**TRUST FUND**

**\*\*SCHEDULES\*\***

TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2011

	Ref.	Dog License	Restated Other
Balance - December 31, 2010	B	\$ 10,743.19	\$ 3,804,193.78
Increased by receipts:			
State share of dog license fees		\$ 1,558.80	0.00
Dog license fees	B-3	5,035.20	0.00
Dog license late fees	B-3	340.00	0.00
Public defenders fees		0.00	1,649.19
COAH trust funds		0.00	62,672.45
Unemployment trust		0.00	11,207.38
Parking offenses adjudications act fines		0.00	14.00
Deposits site plan review fees		0.00	717,198.21
Woolwich recreation trust		0.00	76,948.36
Police forfeited funds		0.00	869.93
Deposits for police overtime cost		0.00	53,892.89
Municipal open space tax		0.00	314,276.94
Developers tree compensation	B-6	0.00	2,200.14
UCC trust		0.00	555,178.09
Developers recreation fees		0.00	33,000.00
Due from current fund		0.00	426,290.33
Interest earned		55.01	8,693.73
		<u>6,989.01</u>	<u>2,264,091.64</u>
		17,732.20	6,068,285.42

TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2011

	Ref.	Dog License	Restated Other
Decreased by disbursements:			
Paid to State of New Jersey		\$ 1,574.40	\$ 0.00
Expenditures under R.S. 4:19-15.11	B-3	8,329.44	0.00
Encumbrances payable		0.00	4,764.58
Paid to professionals for plan review		0.00	780,148.39
Municipal open space funds:			
Reserve for open space funds	B-6	0.00	137,761.50
Appropriation reserves	B	0.00	5,634.00
Encumbrances payable		0.00	20,366.00
Woolwich recreation trust		0.00	55,309.33
Unemployment trust		0.00	8,408.54
Developers tree compensation		0.00	373.00
Parking offenses adjudications act fines		0.00	3.33
Police overtime expenses		0.00	42,984.80
Dedicated fire safety code penalties		0.00	656.00
Public defender fees		0.00	2,250.00
Developers open space funds		0.00	9,189.26
Municipal functions developers fees		0.00	5,955.00
Police forfeited funds		0.00	4,751.16
Payroll funds transferred		0.00	81,481.73
UCC trust		0.00	468,909.04
Snow removal trust		0.00	23,426.42
Amount due to current fund		1,767.90	1,258,505.19
		\$ 11,671.74	\$ 2,910,877.27
Balance - December 31, 2011	B	\$ 6,060.46	\$ 3,157,408.15

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF CASH - COLLECTOR  
For the Year Ended December 31, 2011

	Ref.		Restated Tax Title Lien Redemption Trust Fund	Restated Tax Premium Trust Fund
Balance - December 31, 2010	B	\$	22,617.53	\$ 83,561.62
Increased by:				
Deposits for redemption of liens	B-4	\$	300,929.32	\$ 0.00
Premium received at tax sale	B-5		0.00	53,800.00
Due to current fund			14,265.59	0.00
Interest on investment			0.00	381.44
			315,194.91	54,181.44
			337,812.44	137,743.06
Decreased by:				
Redemption of liens	B-4		227,362.28	0.00
Refund of premium upon redemption:				
Current year	B-5		0.00	44,500.00
Due to current fund			819.07	761.62
			228,181.35	45,261.62
Balance - December 31, 2011	B	\$	109,631.09	\$ 92,481.44

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
For the Year Ended December 31, 2011**

	<u>Ref.</u>			
Balance - December 31, 2010	B		\$	8,959.69
Increased by:				
Dog license fees	B-1	\$		5,035.20
Late fees	B-1			<u>340.00</u>
				<u>5,375.20</u>
				<u>14,334.89</u>
Decreased by:				
Expenditures under R.S. 4:19-15.11:				
Cash	B-1			<u>8,329.44</u>
				<u>8,329.44</u>
Balance - December 31, 2011	B		\$	<u><u>6,005.45</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2009	\$ 4,704.60
2010	<u>9,564.60</u>
	<u><u>\$ 14,269.20</u></u>

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS  
For the Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	\$ 21,798.46
Increased by:		
Cash receipts	B-2	<u>300,929.32</u>
		322,727.78
Decreased by:		
Cash disbursements	B-2	<u>227,362.28</u>
Balance - December 31, 2011	B	<u><u>\$ 95,365.50</u></u>

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF PREMIUM RECEIVED AT TAX SALE  
For the Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	\$ 82,800.00
Increased by:		
Premium received at tax sale	B-2	53,800.00
		<u>136,600.00</u>
Decreased by:		
Premium refunded at redemption:		
Current year	B-2	44,500.00
		<u>44,500.00</u>
Balance - December 31, 2011		<u><u>\$ 92,100.00</u></u>

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE  
For the Year Ended December 31, 2011**

	Ref.		
Balance - December 31, 2010	B		\$ 651,464.41
Increased by:			
2011 municipal tax levy	A-6;B-1	\$ 314,276.94	
Added and omitted taxes	A-6	2,504.29	
Interest earned		1,009.15	
			317,790.38
			969,254.79
Decreased by:			
Expenditures for open space	B-1		137,761.50
Balance - December 31, 2011	B		\$ 831,493.29

See accompanying auditor's report.

**GENERAL CAPITAL FUND**

**\*\*SCHEDULES\*\***

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER  
For the Year Ended December 31, 2011**

	<u>Ref.</u>		
Balance - December 31, 2010	C		\$ 1,641,919.12
Increased by receipts:			
Amount due from current fund		\$ 41,871.63	
Reserve for developers deposits		143,000.00	
Improvement authorizations funded:			
Kingsview bond	C-6	13,985.00	
Winding Brook bond	C-6	65,945.00	
Amount due from State of New Jersey		<u>210,698.00</u>	
			<u>475,499.63</u>
			2,117,418.75
Decreased by disbursements:			
Due to current fund		342,503.35	
Due from Gloucester County Improvement Authority		390,693.27	
Contracts payable		395,787.34	
Improvement authorizations	C-6	<u>376,414.57</u>	
			<u>1,505,398.53</u>
Balance - December 31, 2011	C		<u><u>\$ 612,020.22</u></u>

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
For the Year Ended December 31, 2011**

	Balance December 31, 2011
	\$
Fund balance	68,596.93
Due from trust fund- other	(236,730.35)
Due from State of New Jersey	(458,302.00)
Due from Gloucester County Improvement Authority	(434,384.70)
Contracts payable	211,762.30
Capital improvement fund	28,563.48
Due current fund	(117,975.37)
Due to municipal open space trust fund	394,602.00
Reserve for insurance proceeds	324,797.71
Reserve for developers deposits	289,665.04
Improvement authorizations:	
Ordinance	
<u>Number</u>	
05-29      Acquisition of land	69,800.44
05-30      Purchase office equipment	124,507.62
05-30      PMC building renovations	79,162.51
06-28      Municipal building construction	7,970.32
07-15      Acquisition of PMC building	37.94
07-16      2007 road program	18,884.47
08-10      Acquisition of public works equipment	332.16
08-12      Acquisition of land- Nike Base	129,700.52
10-13      Russell Mill Road- Phases 3 and 4	22,559.75
10-25a     Various road improvements	196,225.00
10-25b     Road drainage improvements	100,000.00
11-08      Acquisition of public works equipment	505.20
11-08      Various roadway improvements	14,748.00
11-08      Various roadway improvements	436.25
10-17      Tax refund payments	(223,445.00)
	\$      612,020.22

Ref.

C

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
 GENERAL CAPITAL FUND  
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
 For the Year Ended December 31, 2011

Improvement Description	Ordinance Number	Balance December 31, 2011	Analysis Of Balance December 31, 2011	
			Financed By	Expended
			Bond Anticipation Notes	
Acquisition of land- Nike base	08-12	\$ 833,076.00	\$ 833,076.00	\$ 0.00
Ⓢ Tax refund payments	10-17	223,445.00	0.00	223,445.00
		<u>\$ 1,056,521.00</u>	<u>\$ 833,076.00</u>	<u>\$ 223,445.00</u>

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
For the Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	C	\$ 251,277.48
Decreased by:		
Appropriated to finance improvement authorizations	C-6	<u>222,714.00</u>
Balance - December 31, 2011	C	<u>\$ 28,563.48</u>

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
 GENERAL CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 For the Year Ended December 31, 2011

Improvement Description	No.	Ordinance Date	Amount	Balance December 31, 2010		2011 Authorizations	Paid Or Charged	Authorizations Cancelled	Contracts Payable Cancelled	Balance December 31, 2011	
				Funded	Unfunded					Funded	Unfunded
Acquisition of land	05-29	8/15/2005	\$ 400,000.00	\$ 0.00	\$ 0.00	\$ 1,871.53	\$ 0.00	\$ 0.00	\$ 0.00	\$ 69,800.44	\$ 0.00
Purchase office equipment	05-30, 06-28, 07-45, 09-15	8/15/2005	4,250,000.00	0.00	0.00	0.00	0.00	15,423.50	0.00	124,507.62	0.00
PMC building renovations	05-30, 06-28, 07-45, 09-15	9/8/2009	250,000.00	0.00	0.00	0.00	(67,970.32)	27,774.96	0.00	79,162.51	0.00
Municipal building construction	06-28, 07-45, 09-15	11/20/2006	1,100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	7,970.32	0.00
Acquisition of PMC building	07-15	5/21/2007	110,200.00	0.00	0.00	0.00	0.00	0.00	0.00	37.94	0.00
2007 road program	07-16	5/21/2007	520,000.00	0.00	0.00	0.00	0.00	1,420.00	0.00	18,884.47	0.00
Acquisition of public works equipment	07-17	5/21/2007	135,000.00	0.00	0.00	0.00	3,902.82	0.00	0.00	0.00	0.00
Acquisition of public works equipment	08-10	6/2/2008	30,000.00	0.00	0.00	0.00	3,576.17	0.00	0.00	332.16	0.00
Acquisition of land- Nike Base	08-12	7/7/2008	900,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129,700.52
Russell Mill Road- Phases 3 and 4	10-13	5/17/2010	420,000.00	0.00	0.00	0.00	42,372.09	0.00	0.00	22,559.75	0.00
Various road improvements	10-25a	11/1/2010	200,000.00	0.00	0.00	0.00	3,775.00	0.00	0.00	196,225.00	0.00
Road drainage improvements	10-25b	11/1/2010	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00
Garwin Road culvert repair	11-7	6/20/2011	33,320.00	0.00	0.00	33,320.00	0.00	0.00	0.00	0.00	0.00
Acquisition of public works equipment	11-8	7/18/2011	88,113.20	0.00	0.00	88,113.20	0.00	0.00	0.00	505.20	0.00
Various roadway improvements	11-8	7/18/2011	125,000.00	0.00	0.00	125,000.00	0.00	0.00	0.00	14,748.00	0.00
Various roadway improvements	11-8	7/18/2011	177,644.00	0.00	0.00	177,644.00	0.00	0.00	0.00	436.25	0.00
			\$ 698,329.88	\$ 129,700.52	\$ 424,077.20	\$ 463,885.36	\$ (67,970.32)	\$ 44,618.46	\$ 635,169.66	\$ 129,700.52	

Ref	C	C-1	C
Cash disbursements			
Contracts payable	\$ 376,414.57		
	<u>87,470.79</u>		
	\$ 463,885.36		
Capital improvement fund			
Winding Brook bond		\$ 222,714.00	
Kingsview bond		65,945.00	
Capital fund balance		13,985.00	
		<u>121,433.20</u>	
		\$ 424,077.20	



TOWNSHIP OF WOOLWICH  
 GENERAL CAPITAL FUND  
 STATEMENT OF GENERAL SERIAL BONDS PAYABLE  
 For the Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2010	Balance December 31, 2011
			Date	Amount			
General improvements	12/22/2006	\$ 7,985,000.00	12/15/2012	\$ 360,000.00			
			12/15/2013	375,000.00			
			12/15/2014	390,000.00			
			12/15/2015	400,000.00			
			12/15/2016	415,000.00			
			12/15/2017	425,000.00			
			12/15/2018	445,000.00			
			12/15/2019	450,000.00			
			12/15/2020	475,000.00			
			12/15/2021	500,000.00			
			12/15/2022	515,000.00			
		12/15/2023	530,000.00				
		12/15/2024	550,000.00				
		12/15/2025	580,000.00				
			4.000%		\$ 6,760,000.00	\$ 6,410,000.00	
					\$ 350,000.00	\$ 6,410,000.00	
					\$ 6,760,000.00	\$ 6,410,000.00	

Ref. C A-3 C

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
 GENERAL CAPITAL FUND  
 SCHEDULE OF GREEN ACRES TRUST LOAN  
 For the Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2010	Paid	Balance December 31, 2011
			December 31, 2011	December 31, 2011				
Locke Avenue Park	1/4/2002	\$ 150,000.00	1/12/2012	\$ 3,784.30	2.00%	\$ 95,400.62	\$ 7,456.56	\$ 87,944.06
			7/12/2012	3,822.14				
			1/12/2013	3,860.36				
			7/12/2013	3,898.97				
			1/12/2014	3,937.96				
			7/12/2014	3,977.34				
			1/12/2015	4,017.11				
			7/12/2015	4,057.28				
			1/12/2016	4,097.85				
			7/12/2016	4,138.83				
			1/12/2017	4,180.22				
			7/12/2017	4,222.02				
		1/12/2018	4,264.24					
		7/12/2018	4,306.88					
		1/12/2019	4,349.95					
		7/12/2019	4,393.45					
		1/12/2020	4,437.39					
		7/12/2020	4,481.76					
		1/12/2021	4,526.58					
		7/12/2021	4,571.86					
		1/12/2022	4,617.57					

TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES TRUST LOAN  
For the Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2010	Paid	Balance December 31, 2011
			December 31, 2011	Outstanding				
Park expansion	4/26/2007	\$ 400,000.00	4/26/2012	\$ 9,227.03				
			10/26/2012	9,319.30				
			4/26/2013	9,412.49				
			10/26/2013	9,506.61				
			4/26/2014	9,601.68				
			10/26/2014	9,697.70				
			4/26/2015	9,794.67				
			10/26/2015	9,892.62				
			4/26/2016	9,991.55				
			10/26/2016	10,091.46				
			4/26/2017	10,192.38				
			10/26/2017	10,294.30				
			4/26/2018	10,397.24				
			10/26/2018	10,501.22				
			4/26/2019	10,606.23				
			10/26/2019	10,712.29				
			4/26/2020	10,819.41				
			10/26/2020	10,927.61				
			4/26/2021	11,036.88				
			10/26/2021	11,147.25				
			4/26/2022	11,258.73				
			10/26/2022	11,371.31				
			4/26/2023	11,485.03				
			10/26/2023	11,599.88				
			4/26/2024	11,715.88				
			10/26/2024	11,833.03				
			4/26/2025	11,951.36				
			10/26/2025	12,070.88				
			4/26/2026	12,191.60				
			10/26/2026	12,313.50				
					2.00%	339,142.01	18,180.89	320,961.12
						<u>\$ 434,542.63</u>	<u>\$ 25,637.45</u>	<u>\$ 408,905.18</u>

Ref. C

C

See accompanying auditor's report.

TOWNSHIP OF WOOLWICH  
 GENERAL CAPITAL FUND  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE  
 For the Year Ended December 31, 2011

Series	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Paid	Balance December 31, 2010	Balance December 31, 2011
			December 31, 2011	December 31, 2011				
Municipal complex project	8/22/2007	\$ 11,225,000.00	5/1/2012	\$ 300,000.00	4.000%			
			5/1/2013	315,000.00	5.000%			
			5/1/2014	330,000.00	4.000%			
			5/1/2015	345,000.00	5.000%			
			5/1/2016	365,000.00	5.000%			
			5/1/2017	380,000.00	5.000%			
			5/1/2018	400,000.00	5.000%			
			5/1/2019	420,000.00	4.125%			
			5/1/2020	440,000.00	5.000%			
			5/1/2021	460,000.00	4.250%			
			5/1/2022	480,000.00	4.250%			
			5/1/2023	500,000.00	4.250%			
			5/1/2024	525,000.00	4.250%			
			5/1/2025	545,000.00	4.375%			
			5/1/2026	570,000.00	4.375%			
			5/1/2027	595,000.00	4.500%			
			5/1/2028	625,000.00	4.500%			
		5/1/2029	650,000.00	4.500%				
		5/1/2030	680,000.00	4.500%				
		5/1/2031	715,000.00	4.500%				
		5/1/2032	745,000.00	4.500%				
						\$ 10,675,000.00	\$ 10,385,000.00	
						\$ 10,675,000.00	\$ 10,385,000.00	

Ref. C A-3 C

See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED AND NOT ISSUED  
For the Year Ended December 31, 2011**

Ordinance Number	Purpose	Balance December 31, 2011
17-2010	Tax refund payments	\$ 223,445.00
		<u>\$ 223,445.00</u>
	Ref.	Footnote

See accompanying auditor's report.

**PAYROLL ACCOUNT**

**\*\*SCHEDULES\*\***

**TOWNSHIP OF WOOLWICH  
 PAYROLL AGENCY ACCOUNT  
 SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE  
 For the Year Ended December 31, 2011**

Public employees' retirement system	\$	7,473.17
Police and firemen's pension system		<u>18,192.38</u>
		<u>\$ 25,665.55</u>

	Ref.	F
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See accompanying auditor's report.

**TOWNSHIP OF WOOLWICH**

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**LETTER OF COMMENTS AND RECOMMENDATIONS**

**For the Year Ended December 31, 2011**

## 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 or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the costs or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding 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 \$36,000.00, except by contract or agreement".

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

The minutes indicate that bids were requested by public advertising for the following items:

Culvert damage repair - Garwin Road  
Resurfacing various streets  
Turnout gear for fire company  
Road overlay project  
Roadway damage - Garwin Road  
Repairs to Oldmans Creek Road

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 requiring 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 (l) (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..."

My examination indicated that the Township complied with this requirement during 2011.

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.

My examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$36,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

## **GENERAL COMMENTS (Continued)**

### **Contracts or Agreements Not Required to be Advertised in Accordance with N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$5,400.00, at least three quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract agreement shall be made with and awarded to the lowest responsible bidder."

Our audit 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 \$5,400.00, there was not documentation that solicitation for quotations was done in accordance with the provisions of N.J.S. 40A:11-6.1.

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

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes on or before the date when they would become delinquent.

The governing body on January 1, 2011, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, in and by N.J.S.A. 54:4-67, a governing body of any municipality may fix the rate of interest to be charged for non-payment of taxes or assessments on or before the date when they became delinquent; and

WHEREAS, the Woolwich Township Committee has ordered that the Tax Collector charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

WHEREAS, the Woolwich Township Committee has ordered the Tax Collector to charge a penalty of six (6%) percent of the delinquency in excess of \$10,000.00, to a taxpayer who fails to pay the delinquency prior to the end of the calendar year; and

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

BE IT FURTHER RESOLVED, by the Woolwich Township Committee that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00.

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

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

The last tax sale was held on November 17, 2011 and was complete.

Inspection of tax sale certificates revealed that all were on file.

## **GENERAL COMMENTS (Concluded)**

### **Delinquent Taxes and Tax Title Liens (Concluded)**

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>
2011	20
2010	16
2009	21

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

### **Deferred Compensation Plan**

In accordance with N.J.A.C. 5:37-1 et seq. our audit included procedures to test employer payroll records and employee joinder agreements against information provided to the Township by the plan administrators of the deferred compensation plans. In regards to items tested we found no discrepancies and were able to reconcile the total amount of payroll deferrals to plan contributions. In addition, we reviewed copies of the independent auditor's reports, which expressed an unqualified opinion, dated as of December 31, 2011, on the assets of the plan held by the independent administrator of the plan.

All federal, state, and local approvals of the plan, including the latest revisions as required, were available for audit.

## **OTHER COMMENTS**

### **Payroll Fund**

The examination of the Payroll Fund did include a sampling of the detailed computation of various deductions from the payroll of the Township employees and did ascertain that the accumulated withholdings were disbursed to the proper agencies.

### **Municipal Court**

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board. As part of the test of the records, no attempt was made to differentiate among fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

### **Construction Code Official**

A test of the expenditures of the construction code fees was done as required by N.J.A.C. 5:23-4.17(b)3. All fees collected pursuant to the municipality's fee schedule were appropriated in accordance with the requirements of the Uniform Construction Code Act and the Local Budget Law, which were applied solely to meet the municipal costs of enforcing those regulations as specified by N.J.A.C. 5:23-4.17(c)2.

The uniform construction code annual report was prepared by the Chief Financial Officer and was in agreement with receipts recorded in the Construction Code Official's records.

**TOWNSHIP OF WOOLWICH**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**For the Year Ended December 31, 2011**

This section identifies the significant deficiencies, material weaknesses, and the instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF WOOLWICH  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND  
QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**Finding No. 2010-1**

**Condition**

The computerized general ledger was not properly maintained for all required funds.

**Current Status**

Condition remains unresolved.

**Planned Corrective Action**

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

**TOWNSHIP OF WOOLWICH  
OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>
Samuel Maccarone, Jr.	Mayor
Jonathan Fein	Deputy Mayor
John Descano	Committeeperson
Theodore Otten	Committeeperson
Giuseppe Chila	Committeeperson
William Pine	Chief Financial Officer
Jane DiBella	Township Clerk/Administrator
Mary Folker (to 10/26/11)	Tax Collector
James Sabetta	Construction Code Official
William Golden	Magistrate
Denise Lederer (to 6/26/11)	Court Administrator
Karen Casella (from 6/27/11)	Court Administrator
Ashley Criss (from 7/18/11)	Deputy Court Administrator
Mark Shoemaker, Esquire	Solicitor
Pennoni & Associates	Engineer

Note: All officials and employees are covered by the Joint Insurance Fund with a bond in the amount of \$1,000,000.00 each.

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

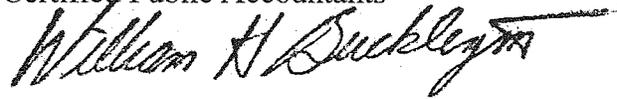
Should any questions arise as to my comments to recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

I desire to express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

*Ball, Buckley & Seher, LLP*

BALL, BUCKLEY & SEHER, LLP  
Certified Public Accountants



William H. Buckley, III  
Registered Municipal Accountant #46  
Certified Public Accountant