

TOWNSHIP OF WOOLWICH
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2017

**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

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**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Woolwich as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2017 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
June 21, 2018

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Woolwich, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 21, 2018. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the

accompanying schedule of financial statement findings that we consider to be material weaknesses as Finding No. 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of financial statement findings as Finding No's. 2017-001, 2017-002, 2017-003 and 2017-004.

Township of Woolwich's Response to Findings

The Township of Woolwich's response to the findings identified in our audit is described in the accompanying schedule of financial statement findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
June 21, 2018

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	REFERENCE	2017	2016
Operating Fund:			
Cash:			
Treasurer	A-4	\$ 7,020,971.99	\$ 5,828,084.85
Investment - CRIM	A-4	1,048,068.76	1,029,915.73
Change Fund	A	<u>83.67</u>	<u>83.67</u>
 Total Cash		 <u>8,069,124.42</u>	 <u>6,858,084.25</u>
 Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	432,799.11	591,706.06
Tax Title Liens Receivable	A-7	198,357.38	134,729.98
Revenue Accounts Receivable	A-8	13,775.84	10,769.77
Due from Capital Fund	C	-	1,653.50
Due from Municipal Open Space	B	185,188.00	-
Due from Animal Control Trust	B	94.24	94.24
Due from Trust Fund	B	<u>93,795.90</u>	<u>93,795.90</u>
 Total Receivables		 <u>924,010.47</u>	 <u>832,749.45</u>
 Deferred Charges:			
Emergency Authorization	A	<u>125,000.00</u>	<u>-</u>
 Total Deferred Charges		 <u>125,000.00</u>	 <u>-</u>
 Total Operating Fund Assets		 <u>9,118,134.89</u>	 <u>7,690,833.70</u>
 Federal & State Grant Fund:			
Grants Receivable	A-13	311,496.70	542,387.68
Due from Capital Fund	C	127,500.00	-
Due from Current Fund	A	<u>63,044.44</u>	<u>44,421.43</u>
 Total Federal & State Grant Fund Assets		 <u>502,041.14</u>	 <u>586,809.11</u>
 Total Assets		 <u>\$ 9,620,176.03</u>	 <u>\$ 8,277,642.81</u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2017	2016
Current Fund:			
Appropriation Reserves	A-3/A-9	\$ 539,884.90	\$ 577,706.59
Reserve for Encumbrances	A-3	107,776.01	159,653.95
Prepaid Taxes	A-5	1,678,701.16	273,006.04
Accounts Payable	A-9	3,660.26	6,151.13
Tax Overpayments	A	62,226.29	35,058.73
Due County for Added & Omitted Taxes	A-12	115,130.12	66,468.51
Due Municipal Open Space Tax Fund	B	11,596.89	4,192.88
Local School Taxes Payable	A-10	2,604,985.49	2,580,506.47
Regional School Taxes Payable	A-11	0.10	0.12
Due to Federal and State Grant Fund	A	63,044.44	44,421.43
Due to General Capital Fund	C	113,587.90	115,968.08
Reserve for Master Plan	A	66,418.82	66,418.82
Due to State - Senior Citizen and Veterans Deductions	A	11,454.30	10,386.12
		<u>5,378,466.68</u>	<u>3,939,938.87</u>
Total Operating Liabilities			
Reserve for Receivables	A	924,010.47	832,749.45
Fund Balance	A-1	<u>2,815,657.74</u>	<u>2,918,145.38</u>
		<u>9,118,134.89</u>	<u>7,690,833.70</u>
Total Operating Fund			
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-14	465,272.00	514,579.21
Unappropriated Reserves	A-15	16,010.69	30,255.69
Encumbrances Payable	A-14	<u>20,758.45</u>	<u>41,974.21</u>
		<u>502,041.14</u>	<u>586,809.11</u>
Total Federal & State Grant Fund			
		<u>\$ 9,620,176.03</u>	<u>\$ 8,277,642.81</u>
Total Liabilities Reserve & Fund Balance			

The accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,190,000.00	\$ 1,975,000.00
Miscellaneous Revenues Anticipated	1,683,509.69	1,734,994.82
Receipts From Delinquent Taxes	431,728.13	522,679.04
Receipts From Current Taxes	41,667,531.79	40,485,057.57
Nonbudget Revenues	462,872.16	470,944.10
Other Credits to Income:		
Other	232.58	250.16
Interfunds Liquidated	-	39,779.86
Unexpended Balance of Appropriation Reserves	370,418.61	266,787.20
	<hr/>	<hr/>
Total Revenue & Other Income	46,806,292.96	45,495,492.75
	<hr/>	<hr/>
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,306,386.84	2,326,077.66
Other Expenses	3,386,297.00	3,285,667.30
Deferred Charges & Statutory Expenditures	726,739.00	716,269.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	677,175.50	626,529.90
Other Expenses	80,607.43	286,640.67
Capital Improvement Fund	-	100,000.00
Municipal Debt Service	1,571,242.35	1,637,025.76
Deferred Charges	-	15,850.00
County Taxes	8,996,686.22	8,670,896.84
Local District School Tax	16,030,979.00	15,482,021.00
Regional High School Tax	10,333,009.00	9,917,919.00
Municipal Open Space	566,700.00	561,457.62
Municipal Open Space - Added Taxes	7,404.01	4,192.88
Interfund Loans Advanced	160,554.25	-
	<hr/>	<hr/>
Total Expenditures	44,843,780.60	43,630,547.63
	<hr/>	<hr/>
Excess/(Deficit) in Revenue	1,962,512.36	1,864,945.12
Adjustments to Income before Fund Balance		
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Years	125,000.00	-
	<hr/>	<hr/>
Statutory Excess to Fund Balance	2,087,512.36	1,864,945.12
	<hr/>	<hr/>
Fund Balance - January 1	2,918,145.38	3,028,200.26
	<hr/>	<hr/>
Total	5,005,657.74	4,893,145.38
Decreased by: Utilized as Anticipated Revenue	2,190,000.00	1,975,000.00
	<hr/>	<hr/>
Fund Balance December 31, 2017	<u>\$ 2,815,657.74</u>	<u>\$ 2,918,145.38</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,190,000.00	\$ -	\$ 2,190,000.00	\$ -
Miscellaneous Revenues:				
Municipal Court	120,000.00	-	172,226.36	52,226.36
Interest & Cost on Taxes	100,000.00	-	108,373.23	8,373.23
Energy Receipts Tax	414,809.00	-	414,809.00	-
Garden State Trust	5,939.00	-	5,939.00	-
Shared Service Agreements - Swedesboro:				
Recreation	10,000.00	-	10,250.00	250.00
Police Coverage and Protection	639,061.00	-	639,061.50	0.50
Kingsway Regional School District	38,115.00	-	77,055.00	38,940.00
Debt Service Contribution from Open Space	185,188.00	-	185,188.00	-
Additional Revenues Offset With Appropriations:				
Recycling Tonnage Grant	-	12,853.20	12,853.20	-
Clean Communities Program	26,470.09	22,488.00	48,958.09	-
Alcohol Education and Rehabilitation Fund	1,601.43	418.21	2,019.64	-
Body Armor Replacement Grant	2,184.17	-	2,184.17	-
Click It or Ticket Grant	-	2,200.00	2,200.00	-
Distracted Driving Grant	-	2,392.50	2,392.50	-
Total Miscellaneous	<u>1,543,367.69</u>	<u>40,351.91</u>	<u>1,683,509.69</u>	<u>99,790.09</u>
Receipts from Delinquent Taxes	<u>538,614.00</u>	<u>-</u>	<u>431,728.13</u>	<u>(106,885.87)</u>
Subtotal General Revenues	<u>4,271,981.69</u>	<u>40,351.91</u>	<u>4,305,237.82</u>	<u>(7,095.78)</u>
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	<u>5,756,643.00</u>	<u>-</u>	<u>6,978,281.56</u>	<u>1,221,638.56</u>
Budget Totals	<u>10,028,624.69</u>	<u>40,351.91</u>	<u>11,283,519.38</u>	<u>1,214,542.78</u>
Nonbudget Revenues	<u>-</u>	<u>-</u>	<u>462,872.16</u>	<u>462,872.16</u>
Total	<u>\$ 10,028,624.69</u>	<u>\$ 40,351.91</u>	<u>\$ 11,746,391.54</u>	<u>\$ 1,677,414.94</u>

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections		\$ 41,667,531.79
Allocated to - School, County & Special District Taxes		<u>35,934,778.23</u>
Balance for Support of Municipal Budget Revenues		5,732,753.56
Add: Appropriation - "Reserve for Uncollected Taxes"		<u>1,245,528.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 6,978,281.56</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections		\$ 412,498.85
Tax Title Lien Collections		<u>19,229.28</u>
Total Receipts From Delinquent Taxes		<u>\$ 431,728.13</u>
Analysis of Nonbudget Revenue:		
Treasurer:		
Licenses - Alcohol		\$ 6,350.00
Marriage Licenses		1,232.00
Junk Yard		7,747.83
Lien Demolition		4,549.44
Zoning Board Fees		41,340.00
Planning Board Fees		4,863.85
Other Fees		6,936.00
Construction Fee Reimbursement		174,643.77
Community Garden Plots		1,245.00
Poll Rentals		400.00
Municipal Building Rentals		14,437.50
Vacant Property Registration		58,900.00
DMV Inspection Fee		6,850.00
Interlocal - Aid Fire Company		13,545.00
Cancellation of Old Outstanding Checks		16,008.65
Payment in Lieu of Taxes		40,292.52
Cable TV Franchise Fees		35,571.35
2% Senior & Vet Admin Fee		1,066.36
Interest on Investments		15,426.15
Other		<u>11,466.74</u>
Total Analysis of Nonbudget Revenue		<u>\$ 462,872.16</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
General Government:						
General Administration:						
Salaries and Wages	\$ 20,000.00	\$ 20,000.00	\$19,999.98	\$ -	\$ 0.02	\$ -
Other Expenses	5,500.00	6,000.00	5,089.59	117.29	793.12	-
Mayor and Committee:						
Salaries and Wages	30,500.00	30,500.00	30,500.00	-	-	-
Other Expenses	3,000.00	3,000.00	2,818.64	-	181.36	-
Municipal Clerk:						
Salaries and Wages	106,734.00	110,734.00	110,580.29	-	153.71	-
Other Expenses	16,611.00	16,111.00	14,591.18	24.38	1,495.44	-
Financial Administration (Treasury):						
Salaries and Wages	122,000.00	128,500.00	128,045.91	-	454.09	-
Other Expenses	56,000.00	56,000.00	51,463.49	2,568.00	1,968.51	-
Audit Services:						
Other Expenses	50,000.00	50,000.00	46,588.00	-	3,412.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	55,000.00	55,000.00	54,999.93	-	0.07	-
Other Expenses	7,500.00	8,000.00	7,501.26	-	498.74	-
Legal Services and Costs:						
Other Expenses	230,000.00	230,000.00	176,033.03	1,805.00	52,161.97	-
Litigation - Other Expenses	-	125,000.00	125,000.00	-	-	-
Engineering Services:						
Other Expenses	40,000.00	50,000.00	40,779.80	-	9,220.20	-
Economic Development Agencies:						
Other Expenses	1,000.00	1,000.00	508.97	105.48	385.55	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	30,000.00	25,500.00	25,126.67	-	373.33	-
Other Expenses	50,000.00	59,000.00	53,125.41	210.00	5,664.59	-
Zoning Board of Adjustment:						
Salaries and Wages	65,000.00	65,000.00	62,510.26	-	2,489.74	-
Other Expenses	500.00	500.00	-	-	500.00	-
Office of Community Development:						
Salaries and Wages	75,429.00	76,179.00	75,990.94	-	188.06	-
Insurance:						
General Liability	124,078.00	124,078.00	124,078.00	-	-	-
Workers' Compensation	194,997.00	191,997.00	186,662.00	-	5,335.00	-
Employee Group Health	665,000.00	665,000.00	611,069.47	-	33,930.53	20,000.00
Employee Health Insurance - Optional Cash Payment	95,000.00	95,000.00	39,761.92	40.00	55,198.08	-

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Public Safety Functions:						
Police Department:						
Salaries and Wages	1,438,188.00	1,418,188.00	1,317,690.68	-	72,211.16	28,286.16
Other Expenses	99,937.00	99,937.00	61,954.76	19,122.14	18,860.10	-
Office of Emergency Management:						
Salaries and Wages	5,000.00	5,000.00	5,000.00	-	-	-
Other Expenses	2,500.00	2,500.00	-	-	2,500.00	-
Aid to Volunteer Fire Company in Adjoining Municipality	85,000.00	85,000.00	73,626.29	9,313.66	2,060.05	-
Municipal Prosecutor:						
Salaries and Wages	18,500.00	18,600.00	18,561.61	-	38.39	-
Public Works Functions:						
Streets & Roads Maintenance:						
Other Expenses	44,700.00	44,700.00	17,789.67	18,906.35	8,003.98	-
Snow Removal:						
Salaries and Wages	10,000.00	10,000.00	-	-	10,000.00	-
Other Expenses	35,000.00	35,000.00	1,832.70	11,562.25	21,605.05	-
Solid Waste Collection:						
Other Expenses	479,297.00	474,297.00	458,374.17	-	15,922.83	-
Sanitation:						
Other Expenses	13,000.00	13,000.00	210.00	-	12,790.00	-
Buildings & Grounds:						
Salaries and Wages	240,715.00	240,715.00	240,226.93	-	488.07	-
Other Expenses	66,500.00	76,500.00	64,114.36	4,884.12	7,501.52	-
Vehicle Maintenance:						
Other Expenses	45,000.00	45,000.00	22.27	35,269.86	9,707.87	-
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	4,590.00	4,590.00	4,590.00	-	-	-
Other Expenses	1,000.00	1,000.00	111.28	73.50	815.22	-
Environmental Committee:						
Other Expenses	2,500.00	2,500.00	163.00	1,962.00	375.00	-

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Park & Recreation Functions:						
Recreation Services & Programs:						
Other Expenses	8,000.00	8,000.00	8,000.00	-	-	-
Maintenance of Parks:						
Other Expenses	30,000.00	32,000.00	27,598.20	1,387.89	3,013.91	-
Celebration of Public Events:						
Other Expenses	1,500.00	1,500.00	1,500.00	-	-	-
Utility Expenses & Bulk Purchases:						
Electricity	125,000.00	136,000.00	121,062.12	-	14,937.88	-
Street Lighting	65,000.00	65,000.00	50,546.28	-	14,453.72	-
Telephone	30,000.00	30,000.00	27,736.46	-	2,263.54	-
Water - Fire Hydrant	108,000.00	108,000.00	82,008.78	-	25,991.22	-
Gasoline	65,000.00	63,500.00	63,263.35	-	236.65	-
Heating	7,000.00	7,000.00	4,498.22	-	2,501.78	-
Cable TV & Internet	4,500.00	4,500.00	4,069.17	-	430.83	-
Salary Adjustment	7,500.00	7,500.00	624.46	-	6,875.54	-
Landfill/Solid Waste Disposal Costs:						
Other Expenses	378,857.00	370,007.00	282,539.34	-	87,467.66	-
Municipal Court:						
Salaries and Wages	117,667.00	117,667.00	108,477.77	-	4,189.23	5,000.00
Other Expenses	20,670.00	20,670.00	14,678.61	375.31	5,616.08	-
Public Defender:						
Salaries and Wages	6,000.00	6,000.00	5,375.00	-	625.00	-
Total Operations Within "CAPS"	5,609,970.00	5,745,970.00	5,059,070.22	107,727.23	525,886.39	53,286.16
Detail:						
Salaries and Wages	2,352,823.00	2,339,673.00	2,208,300.43	-	98,086.41	33,286.16
Other Expenses	3,257,147.00	3,406,297.00	2,850,769.79	107,727.23	427,799.98	20,000.00
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	232,560.00	221,560.00	186,646.98	-	9,913.02	25,000.00
Defined Contribution Retirement Program	1,500.00	1,500.00	498.46	-	1,001.54	-
Consolidated Police & Firemen's Pension	375,033.00	375,033.00	375,033.00	-	-	-
Public Employees Retirement System	153,646.00	153,646.00	153,646.00	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	762,739.00	751,739.00	715,824.44	-	10,914.56	25,000.00
Total General Appropriations for Municipal Purposes Within "CAPS"	6,372,709.00	6,497,709.00	5,774,894.66	107,727.23	536,800.95	78,286.16

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Operations Excluded From "CAPS":						
Public & Private Programs Offset by Revenues:						
Recycling Tonnage Grant	-	12,853.20	12,853.20	-	-	-
Clean Communities Program	26,470.09	48,958.09	48,958.09	-	-	-
Alcohol Education and Rehabilitation Fund	1,601.43	2,019.64	2,019.64	-	-	-
Body Armor Replacement Grant	2,184.00	2,184.00	2,184.00	-	-	-
Distracted Driving Grant	-	2,392.50	2,392.50	-	-	-
Click It or Ticket Grant	-	2,200.00	2,200.00	-	-	-
Interlocal Municipal Service Agreements:						
Borough of Swedesboro:						
Recreation - Other Expenses	10,000.00	10,000.00	6,867.27	48.78	3,083.95	-
Police Coverage and Protection Salaries & Wages	639,060.50	639,060.50	639,060.50	-	-	-
Kingsway Regional High School:						
Police Coverage and Protection Salaries & Wages	38,115.00	38,115.00	38,115.00	-	-	-
<hr/>						
Total Operations Excluded from "CAPS"	717,431.02	757,782.93	754,650.20	48.78	3,083.95	-
Detail:						
Salaries and Wages	677,175.50	677,175.50	677,175.50	-	-	-
Other Expenses	40,255.52	80,607.43	77,474.70	48.78	3,083.95	-
<hr/>						
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	610,000.00	610,000.00	610,000.00	-	-	-
Interest on Bonds	287,186.67	287,186.67	287,186.67	-	-	-
Green Acres Trust Loan Program:						
Principal & Interest	34,200.76	34,200.76	34,200.76	-	-	-
Capital Lease Obligation Approved Prior to 7/1/2007						
Principal	380,000.00	380,000.00	380,000.00	-	-	-
Interest	381,568.76	381,568.76	259,854.92	-	-	121,713.84
<hr/>						
Total Municipal Debt Service Excluded From "CAPS"	1,692,956.19	1,692,956.19	1,571,242.35	-	-	121,713.84
<hr/>						
Total General Appropriations Excluded From "CAPS"	2,410,387.21	2,450,739.12	2,325,892.55	48.78	3,083.95	121,713.84
<hr/>						
Subtotal General Appropriations	8,783,096.21	8,948,448.12	8,100,787.21	107,776.01	539,884.90	200,000.00
Reserve For Uncollected Taxes	1,245,528.00	1,245,528.00	1,245,528.00	-	-	-
<hr/>						
Total General Appropriations	\$ 10,028,624.21	\$ 10,193,976.12	\$ 9,346,315.21	\$ 107,776.01	\$ 539,884.90	\$ 200,000.00

Adopted Budget	\$ 10,028,624.21
Emergency Appropriation	125,000.00
Added by N.J.S.40A:4-87	40,351.91
Total	\$ 10,193,976.12
Federal & State Grants	\$ 70,607.43
Reserve for Uncollected Taxes	1,245,528.00
Refunds	(630,643.46)
Deferred Charges	125,000.00
Disbursed	8,535,823.24
Total	\$ 9,346,315.21

The accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF WOOLWICH
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	REFERENCE	2017	2016
Animal Control Fund:			
Cash	B-3	\$ 7,893.07	\$ 7,559.10
Total Animal Control Fund		<u>7,893.07</u>	<u>7,559.10</u>
Municipal Open Space Trust Fund			
Cash	B-3	667,059.03	747,944.18
Open Space Taxes Receivable	A	11,596.89	4,192.88
Total Municipal Open Space		<u>678,655.92</u>	<u>752,137.06</u>
Other Funds:			
Cash - Treasurer	B-3	1,748,442.38	2,002,103.91
Cash - Collector	B-4	241,009.09	303,259.61
Investment - CRIM	B	800,000.00	800,000.00
Total Other Funds		<u>2,789,451.47</u>	<u>3,105,363.52</u>
Total Assets		<u>\$ 3,476,000.46</u>	<u>\$ 3,865,059.68</u>
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Fund:			
Due Current Fund	A	\$ 94.24	\$ 94.24
Reserve for Animal Control Expenditures	B-3	7,798.83	7,464.86
Total Animal Control Fund		<u>7,893.07</u>	<u>7,559.10</u>
Municipal Open Space Trust Fund:			
Due to General Capital Fund	C	204,356.64	326,856.64
Due to Current Fund	A	185,188.00	-
Reserve for Open Space	B-8	289,111.28	425,280.42
Total Municipal Open Space Trust Fund		<u>678,655.92</u>	<u>752,137.06</u>
Other Funds:			
Due to Current Fund	A	93,795.90	93,795.90
Deposits for Redemption of Tax Title Liens	B-6	9,886.71	10,138.82
Tax Sale Premiums	B-7	231,122.38	293,120.79
Due to State of NJ - DCA Training Fees	B	6,649.00	48,355.00
Reserves for:			
Public Defender	B-9	2,751.26	3,043.88
Payroll Deductions Payable	B-9	20,602.98	1,936.79
Site Plan Review Escrow	B-9	737,678.90	679,550.92
Municipal Functions Developers Fees	B-9	152,219.93	125,129.07
Police Overtime	B-9	28,082.08	6,434.51
UCC Trust	B-9	688,416.41	933,047.18
P.O.A.A. - Parking Fines	B-9	524.61	498.07
Police Forfeited Funds	B-9	4,400.29	3,865.26
Open Space - Municipal Maintenance	B-9	6,490.09	18,267.95
Developers Tree Compensation	B-9	324,011.44	364,331.76
Snow Removal	B-9	19,738.20	31,936.44
Developers Recreation Fees	B-9	113,828.88	127,641.65
COAH Fees	B-9	322,506.78	314,766.35
Election	B-9	250.00	250.00
Woolwich Recreation Trust	B-9	24,060.37	41,273.96
Unemployment Trust	B-9	2,435.26	7,979.22
Total Other Funds		<u>2,789,451.47</u>	<u>3,105,363.52</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 3,476,000.46</u>	<u>\$ 3,865,059.68</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF WOOLWICH
TRUST MUNICIPAL OPEN SPACE FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 566,700.00	\$ 574,104.01	\$ 7,404.01
For Future Use	435,138.00	122,500.00	(312,638.00)
Miscellaneous - Interest	-	841.91	841.91
Total	<u>\$ 1,001,838.00</u>	<u>\$ 697,445.92</u>	<u>\$ (304,392.08)</u>

ANALYSIS OF REALIZED REVENUE

Amount to be Raised by Taxation:

Current Year Levy	\$ 566,700.00
Added/Omitted Levy	<u>7,404.01</u>
	<u>\$ 574,104.01</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF WOOLWICH
TRUST MUNICIPAL OPEN SPACE FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

OPERATIONS	APPROPRIATIONS				EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID	RESERVED	ENCUMBERED	RESERVED	
Development of Lands for Recreation & Conservation:							
Salaries and Wages	\$ 140,000.00	\$ 140,000.00	\$ 106,427.45	\$ -	\$ -	\$ 33,572.55	\$ -
Other Expenses	300,000.00	300,000.00	274,360.95	-	-	25,639.05	-
Debt Service:							
Payment of Bond Principal	153,827.00	153,827.00	153,827.00	-	-	-	-
Interest on Bonds	31,361.00	31,361.00	31,361.00	-	-	-	-
Reserve for Future Use	376,650.00	376,650.00	267,638.66	-	-	109,011.34	-
Total	\$ 1,001,838.00	\$ 1,001,838.00	\$ 833,615.06	\$ -	\$ -	\$ 168,222.94	\$ -

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash & Cash Equivalents	C-2	\$ 1,206,770.39	\$ 1,405,448.25
Investment - CRIM	C-3	90,000.00	90,000.00
State Aid Receivable	C-12	400,008.35	207,008.35
Due from Gloucester County Improvement Authority	C	-	601,577.68
Due From Current Fund	A	113,587.90	115,968.08
Deferred Charges to Future Taxation:			
Funded	C-4	16,153,889.01	10,257,777.93
Unfunded	C-5	15,400,000.00	-
Amount to be Provided for Retirement of Obligations			
Under Capital Leases	C-10	-	8,730,000.00
Due from Municipal Open Space Trust	B	204,356.64	326,856.64
		<u>\$ 33,568,612.29</u>	<u>\$ 21,734,636.93</u>
Total Assets			
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bond	C-8	\$ 15,910,000.00	\$ 9,985,000.00
Green Acres Loan Payable	C-9	243,889.01	272,777.93
Due to Current Fund	A	-	1,653.50
Due to Grant Fund	A	127,500.00	-
Capital Improvement Fund	C-6	179,483.35	179,483.35
Obligations Under Capital Leases	C-10	-	8,730,000.00
Improvement Authorizations:			
Funded	C-7	528,864.89	1,292,773.96
Unfunded	C-7	14,405,800.00	-
Reserve for Encumbrances	C-7	1,419,599.21	919,255.61
Reserve for Developers Deposits	C	173,465.05	173,465.05
Reserve To Pay Debt Service - Bonds	C	161,838.65	161,838.65
Fund Balance	C-1	418,172.13	18,388.88
		<u>\$ 33,568,612.29</u>	<u>\$ 21,734,636.93</u>
Total Liabilities, Reserves & Fund Balance			

There were bonds and notes authorized but not issued on December 31, 2017 of \$15,400,000 and on December 31, 2016 of \$0.

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF WOOLWICH
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	2017	2016
Land and Buildings	\$ 11,609,300.00	\$ 11,609,300.00
Other Improvements	84,900.00	84,900.00
Machinery and Equipment	<u>3,185,152.00</u>	<u>3,252,306.00</u>
Total	<u>\$ 14,879,352.00</u>	<u>\$ 14,946,506.00</u>
FUND BALANCE		
Investment in Fixed Assets	<u>\$ 14,879,352.00</u>	<u>\$ 14,946,506.00</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

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**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Woolwich, County of Gloucester, New Jersey (hereafter referred to as the "Township") is comprised of five elected members who serve three-year terms. The Mayor and Deputy Mayor are elected by the members of the committee and serve for a one-year term in these positions. The financial statements of the Township include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

Inventories and Supplies - The cost 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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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.

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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 revenues when received.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township’s annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Woolwich-Swedesboro Regional School District and the Kingsway Regional High School. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting 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 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Woolwich-Swedesboro Regional School District and the Kingsway Regional High School. Operations are charged for the full amount required to be raised from taxation to operate the regional school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by 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, bail funds 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, 2017, the Township’s bank balance of \$10,530,607.39 was insured or collateralized as follows:

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 2. Deposits and Investments (continued):

Insured under FDIC and GUDPA	\$ 10,562,165.46
Uninsured and Uncollateralized	<u>2,656,391.38</u>
	<u>\$ 13,218,556.84</u>

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township’s financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township’s fair value, hierarchy level and maturities of its investments at December 31, 2017 would be as followed:

<u>Investment type</u>	Carrying Value	Fair Value as of December 31, 2017		Investment Maturities (in Years)	
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Certificates of Deposit	\$ 1,938,068.76	\$ 1,938,068.76	\$ 1,938,068.76	\$ 1,393,068.76	\$ 545,000.00
	<u>\$ 1,938,068.76</u>	<u>\$ 1,938,068.76</u>	<u>\$ 1,938,068.76</u>	<u>\$ 1,393,068.76</u>	<u>\$ 545,000.00</u>
<u>Fund</u>					
Current Fund	\$ 1,048,068.76	\$ 1,048,068.76	\$ 1,048,068.76	\$ 503,068.76	\$ 545,000.00
Capital Fund	90,000.00	90,000.00	90,000.00	90,000.00	-
Trust Fund - Other	800,000.00	800,000.00	800,000.00	800,000.00	-
	<u>\$ 1,938,068.76</u>	<u>\$ 1,938,068.76</u>	<u>\$ 1,938,068.76</u>	<u>\$ 1,393,068.76</u>	<u>\$ 545,000.00</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, 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.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 2. Deposits and Investments (continued):

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township’s investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township’s investments are in certificates of deposit. These investments represent 100% of the Township’s total investments.

Note 3. 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 Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 3.668</u>	<u>\$ 3.632</u>	<u>\$ 3.549</u>
Apportionment of Tax Rate:			
Municipal	0.507	0.508	0.498
Municipal Open Space	0.050	0.050	0.050
County General	0.785	0.768	0.745
Local School	1.415	1.423	1.408
Regional School	0.911	0.883	0.848

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 1,133,399,244.00
2016	1,122,915,247.00
2015	1,097,995,392.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$42,121,133.56	\$41,667,531.79	98.92%
2016	41,102,031.54	40,485,057.57	98.49%
2015	40,120,233.89	39,458,612.91	98.35%

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 3. Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2017	\$ 198,357.38	\$ 432,799.11	\$ 631,156.49	1.50%
2016	134,729.98	591,706.06	726,436.04	1.77%
2015	172,184.33	586,269.97	758,454.30	1.89%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2017	11
2016	13
2015	N/A

The last tax sale was held on October 3, 2017.

Note 4: Property Acquired By Tax Title Lien Liquidation

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2017, 2016 or 2015.

Note 5. 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 year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2017	\$ 2,815,657.74	\$ 2,288,662.00	81.28%
2016	2,918,145.38	2,190,000.00	75.05%
2015	3,028,200.26	1,975,000.00	65.22%

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 279,078.14	\$ 188,229.23
State and Federal Grant Fund	190,544.44	-
Animal Control Trust	-	94.24
Municipal Open Space Trust	11,596.89	389,544.64
Trust Other Fund	-	93,795.90
Capital Fund	<u>317,944.54</u>	<u>127,500.00</u>
	<u>\$ 799,164.01</u>	<u>\$ 799,164.01</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 25,662.17	\$ -
State and Federal Grant Fund	-	146,418.98
Trust Other Fund	-	129,243.19
Capital Fund	<u>250,000.00</u>	<u>-</u>
	<u>\$ 275,662.17</u>	<u>\$ 275,662.17</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land and Buildings	\$ 11,609,300.00	\$ -	\$ -	\$ 11,609,300.00
Other Improvements	84,900.00	-	-	84,900.00
Machinery & Equipment	3,252,306.00	101,950.00	(169,104.00)	3,185,152.00
	<u>\$ 14,946,506.00</u>	<u>\$ 101,950.00</u>	<u>\$ (169,104.00)</u>	<u>\$ 14,879,352.00</u>

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2017, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contribution to PERS plan was \$144,955.

Components of Net Pension Liability - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$3,642,428. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.01565% which was a decrease of 0.00153% from its proportion measured as of June 30, 2016.

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 1,045,674	\$ 1,617,664
Deferred Inflows of Resources	1,060,764	80,329
Net Pension Liability	3,642,428	5,087,201
Township's portion of the Plan's total net pension Liability	0.01565%	0.01718%

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$262,722. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$144,955 to the plan in 2017.

At December 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 85,767	\$ -
Changes of Assumptions	733,824	731,133
Net Difference between Projected and Actual Earnings on Pension Plan Investments	24,802	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>201,281</u>	<u>329,631</u>
	<u>\$ 1,045,674</u>	<u>\$ 1,060,764</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending	<u>Dec 31,</u>	<u>Amount</u>
2018		\$ 101,132
2019		142,931
2020		80,453
2021		(228,118)
2022		<u>(111,489)</u>
		<u>\$ (15,091)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 4,518,679	\$ 3,642,428	\$ 2,912,402

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contributions to PFRS plan was \$419,410.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2017 the Township's proportionate share of the PFRS net pension liability was \$7,316,095. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.04739%, which was an increase of 0.00139% from its proportion measured as of June 30, 2016.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 1,800,913	\$ 2,537,726
Deferred Inflows of Resources	1,332,018	190,411
Net Pension Liability	7,316,095	8,786,622
Township's portion of the Plan's total net pension Liability	0.04739%	0.04600%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2017, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$663,519. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$419,410 to the plan in 2017.

At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 47,463	\$ 42,939
Changes of Assumptions	902,156	1,198,163
Net Difference between Projected and Actual Earnings on Pension Plan Investments	139,608	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>711,686</u>	<u>90,916</u>
	<u>\$ 1,800,913</u>	<u>\$ 1,332,018</u>

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending	<u>Dec 31,</u>	<u>Amount</u>
2018	\$	226,209
2019		352,106
2020		148,391
2021		(132,312)
2022		<u>(125,498)</u>
	\$	<u>468,896</u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Township is \$819,464 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2017 was 0.04739%, which was an increase of 0.00139% from its proportion measured as of June 30, 2016, which is the same proportion as the Township’s. At December 31, 2017, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 7,316,095
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>819,464</u>
	<u>\$ 8,135,559</u>

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS)

At December 31, 2017, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date was \$100,239.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 9,639,558	\$ 7,316,095	\$ 5,407,106
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,079,711	819,464	605,641
	\$ 10,719,269	\$ 8,135,559	\$ 6,012,747

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 16,153,889.01	\$ 18,987,777.93	\$ 17,211,969.62
Total Debt Issued	<u>16,153,889.01</u>	<u>18,987,777.93</u>	<u>17,211,969.62</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	<u>15,400,000.00</u>	-	-
Total Authorized But Not Issued	<u>15,400,000.00</u>	-	-
Total Gross Debt	<u>\$ 31,553,889.01</u>	<u>\$ 18,987,777.93</u>	<u>\$ 17,211,969.62</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	161,838.65	161,838.65	-
Capital Lease secured by GCIA	-	8,730,000.00	9,095,000.00
Total Deductions	<u>161,838.65</u>	<u>8,891,838.65</u>	<u>9,095,000.00</u>
Total Net Debt	<u>\$ 31,392,050.36</u>	<u>\$ 10,095,939.28</u>	<u>\$ 8,116,969.62</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	\$ 47,541,514.80	\$ 47,541,514.80	\$ -
General Debt	<u>31,553,889.01</u>	<u>161,838.65</u>	<u>31,392,050.36</u>
	<u>\$ 79,095,403.81</u>	<u>\$ 47,703,353.45</u>	<u>\$ 31,392,050.36</u>

Net Debt \$31,392,050.36 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,212,366,964.33, equals 2.589%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Municipal Debt (continued):

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 42,432,843.75	
Net Debt	31,392,050.36	
 Remaining Borrowing Power	 \$ 11,040,793.39	

General Debt

A. Serial Bonds Payable

On April 15, 2015, the Township issued \$5,260,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates of 3.00% and mature on December 15, 2025.

On October 13, 2016, the Township issued \$5,500,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on October 1, 2036.

On August 23, 2017, the Township issued \$6,535,000 of Refunding Bonds to refund the callable portion of the outstanding \$8,730,000 Obligations under Capital Lease. The Refunding Bonds generated \$1,151,948.04 in net present value savings. The Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on June 1, 2032.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,000,000.00	\$ 508,900.00	\$ 1,508,900.00
2019	1,015,000.00	482,200.00	1,497,200.00
2020	1,050,000.00	451,300.00	1,501,300.00
2021	1,090,000.00	417,550.00	1,507,550.00
2022	1,120,000.00	382,550.00	1,502,550.00
2023-2027	5,105,000.00	1,330,150.00	6,435,150.00
2028-2032	4,230,000.00	579,075.00	4,809,075.00
2033-2036	1,300,000.00	96,687.50	1,396,687.50
	\$ 15,910,000.00	\$ 4,248,412.50	\$ 20,158,412.50

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had no bond anticipation notes outstanding in the General Capital Fund at December 31, 2017.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Municipal Debt (continued):

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Township had \$15,400,000 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

Green Acres Trust Program Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection for Green Trust Program Loans to fund a portion of the costs incurred with the improvements to Locke Avenue Park and Park Expansion Projects.

Principal and interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 29,469.58	\$ 4,731.17	\$ 34,200.75
2019	30,061.92	4,138.84	34,200.76
2020	30,666.17	3,534.58	34,200.75
2021	31,282.57	2,918.00	34,200.57
2022	27,247.61	2,289.40	29,537.01
2023-2027	95,161.16	4,331.95	99,493.11
	<u>\$ 243,889.01</u>	<u>\$ 21,943.94</u>	<u>\$ 265,832.95</u>

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2016</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2017</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 9,985,000.00	\$ 6,535,000.00	\$ 610,000.00	\$ 15,910,000.00	\$ 1,000,000.00
Loans	272,777.93	-	28,888.92	243,889.01	29,469.58
Capital Leases	8,730,000.00	-	8,730,000.00	-	-
Authorized but Not Issued	-	15,400,000.00	-	15,400,000.00	-
	<u>\$ 18,987,777.93</u>	<u>\$ 21,935,000.00</u>	<u>\$ 9,368,888.92</u>	<u>\$ 31,553,889.01</u>	<u>\$ 1,029,469.58</u>

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	Balance December 31, <u>2017</u>	2018 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Emergency Authorization (40A:4-47)	\$ 125,000.00	\$ 125,000.00	\$ -

Note 12. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2017</u>	<u>2016</u>
Total Balance of Local Tax	\$ 8,015,489.81	\$ 7,991,010.79
Deferred Taxes	<u>5,410,504.32</u>	<u>5,410,504.32</u>
Local Tax Payable	<u>\$ 2,604,985.49</u>	<u>\$ 2,580,506.47</u>

Note 13. Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 14. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$140,556.79 at December 31, 2017.

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 ("Fund").

The Fund provides the Township with the following coverage:

Property Policy	Environmental Legal Liability Policy
Automobile Policy	Excess Liability Policy
Crime Policy and Excess Crime Policy	Public Officials and Employment Liability
Casualty Policy	Volunteer Directors and Officers Policy
Workers' Compensation and Excess Workers Compensation 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 pool provides that the pool 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 to \$250,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained from:

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

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 16. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2017 the Township estimates that no material liabilities will result from such audits.

Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2017.

Note 17. Subsequent Events

The Township has evaluated subsequent events through June 21, 2018, the date the financial statements were available to be issued and has noted the following:

During May of 2018, the Township approved two new bond ordinances. Ordinance 2018-05 was approved to be used for various roadway improvements and preliminary costs for a total of \$147,000. The total amount of this project will be funded through the capital improvement fund. Ordinance 2018-09 was approved to be used for the construction and improvement of municipally owned open space for recreation for a total of \$3,250,000 and authorized the issuance of debt in the amount of \$3,000,000 in bonds or notes.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	CURRENT FUND	STATE & FEDERAL GRANT FUND
Balance December 31, 2016	\$ 6,858,000.58	\$ -
Increased by Receipts:		
Taxes Collector	\$ 43,633,772.69	
Revenue Accounts Receivable	1,319,340.86	
Miscellaneous Revenue Not Anticipated	462,872.16	
Refunds of Current Year Appropriations	630,643.46	
Interest on Investment	18,153.03	
Due to Trust Other	6,743.19	
Due to State & Federal Grant Fund	18,855.98	
Federal & State Grants Unappropriated		\$ 16,010.69
Federal & State Grants Receivable		144,038.86
Total Receipts	46,090,381.37	160,049.55
Subtotal	52,948,381.95	160,049.55
Decreased by Disbursements:		
2017 Appropriations	8,535,823.24	
Appropriation Reserves	208,427.82	
Encumbrances Payable	159,653.95	
County Taxes Payable	8,881,556.10	
Due County for Added & Omitted Taxes	66,468.51	
Local District School Tax	16,006,499.98	
Regional High School Tax	10,333,009.02	
Municipal Open Space Tax	566,700.00	
Accounts Payable	7,625.75	
Tax Overpayments	68,211.22	
Refund of Prior Year Revenue	45,365.61	
Interfund Disbursement - Grant		18,855.98
Federal & State Grants - Appropriated		141,193.57
Total Disbursements	44,879,341.20	160,049.55
Balance December 31, 2017	\$ 8,069,040.75	\$ -
Cash	\$ 7,020,971.99	
Investments	1,048,068.76	
Total	\$ 8,069,040.75	

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2017**

Balance - December 31, 2016		\$	-
Increased by:			
Interest and Cost on Taxes	\$ 108,373.23		
Taxes Receivable	41,774,150.84		
Tax Title Lien Redemptions	19,229.28		
Senior & Vet Receipts	53,318.18		
Prepaid Taxes	<u>1,678,701.16</u>		
			<u>43,633,772.69</u>
			<u>43,633,772.69</u>
Decreased by:			
Payments to Chief Financial Officer	<u>43,633,772.69</u>		
			<u>43,633,772.69</u>
Balance - December 31, 2017		\$	<u><u>-</u></u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2017**

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED TAXES	COLLECTED 2016	COLLECTED 2017	SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	TRANSFERRED TO ARREARS	BALANCE DECEMBER 31, 2017
2012	\$ 337.49	\$ -	\$ -	\$ -	\$ 10.00	\$ -	\$ 851.53	\$ -	\$ (851.53)	\$ -	\$ -	\$ 327.49
2013	0.07	-	-	-	-	-	-	-	-	-	-	0.07
2014	-	-	-	-	-	-	18.53	84,318.53	84,300.00	-	-	-
2015	9,277.77	-	-	501.09	-	-	6,408.22	6,393.74	(14.48)	-	-	8,776.68
2016	565,739.25	-	-	493,682.42	-	(1,000.00)	18,570.59	19,566.63	1,623.61	41,670.70	(21,776.62)	8,981.94
ARREARS	16,351.48	-	-	3,735.37	-	-	-	-	-	-	21,776.62	34,392.73
Total 2017	591,706.06	41,580,424.40	540,709.16	497,928.88	41,774,150.84	(1,000.00)	25,848.87	110,278.90	85,057.60	41,670.70	-	52,478.91
Total	\$ 591,706.06	\$ 41,580,424.40	\$ 540,709.16	\$ 273,006.04	\$ 41,774,150.84	\$ 52,250.00	\$ 188,769.47	\$ 208,145.71	\$ 126,599.96	\$ 73,409.91	\$ -	\$ 432,799.11

ANALYSIS OF 2017 PROPERTY TAX LEVY:

Tax Yield:	
General Property Tax	\$ 41,580,424.40
Added Taxes (54-4-63.1 et. seq.)	540,709.16
Total Tax Yield	<u>\$ 42,121,133.56</u>
Tax Levy:	
Local School District Tax (Abstract)	\$ 16,030,979.00
Regional High School Tax (Abstract)	10,333,009.00
Municipal Open Space (Abstract)	566,700.00
Municipal Open Space (Added)	7,404.01
County Taxes:	
County Tax (Abstract)	\$ 7,801,147.44
County Library Tax (Abstract)	586,651.38
County Open Space	493,555.68
Due County for Added Taxes (54-4-63.1 et.seq.)	115,331.72
Total County Taxes	<u>8,996,686.22</u>
Local Tax for Municipal Purposes	5,756,643.00
Add: Additional Tax Levied	429,712.33
Total Tax Levy	<u>\$ 42,121,133.56</u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 134,729.98
Increased by:		
Transfers from Taxes Receivable	\$ 73,409.91	
Interest & Costs Accrued by Sale	9,446.77	82,856.68
		<hr/>
Subtotal		217,586.66
Decreased by:		
Collections		19,229.28
		<hr/>
Balance December 31, 2017		<u>\$ 198,357.38</u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	TREASURER	CANCELLED	BALANCE DECEMBER 31, 2017
Miscellaneous Revenue Anticipated:					
Municipal Court	\$ 10,769.77	\$ 175,232.43	\$ 172,226.36	\$ -	\$ 13,775.84
Energy Receipts Tax	-	414,809.00	414,809.00	-	-
Garden State Trust	-	5,939.00	5,939.00	-	-
Shared Services - Swedesboro:					
Police Coverage and Protection	-	639,061.50	639,061.50	-	-
Recreation	-	10,250.00	10,250.00	-	-
Kingsway Regional School District	-	77,055.00	77,055.00	-	-
	<hr/>				
Total	<u>\$ 10,769.77</u>	<u>\$ 1,322,346.93</u>	<u>\$ 1,319,340.86</u>	<u>\$ -</u>	<u>\$ 13,775.84</u>
Cash Receipts			<u>\$ 1,319,340.86</u>		
Total			<u>\$ 1,319,340.86</u>		

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:				
General Administration:				
Other Expenses	1,056.19	1,056.19	1,039.00	17.19
Mayor and Committee:				
Other Expenses	112.54	112.54	109.78	2.76
Municipal Clerk:				
Other Expenses	2,676.92	2,676.92	2,608.95	67.97
Financial Administration (Treasury):				
Other Expenses	20,931.03	20,931.03	17,482.30	3,448.73
Audit Services:				
Other Expenses	18,428.75	18,428.75	18,428.75	-
Revenue Administration (Tax Collection)				
Other Expenses:	1,334.27	1,334.27	44.00	1,290.27
Legal Services (Legal Department)				
Other Expenses	22,990.42	25,990.42	25,983.53	6.89
Engineering Services:				
Other Expenses	56,812.55	56,812.55	42,957.05	13,855.50
Land Use Administration:				
Planning Board:				
Other Expenses	33,261.99	30,261.99	16,247.57	14,014.42
Insurance:				
Workmen's Compensation Insurance	11,871.00	11,871.00	200.00	11,671.00
Employee Group Health	75,938.11	75,938.11	-	75,938.11
Health Benefit Waiver	33,186.90	33,186.90	1,482.79	31,704.11
Public Safety Functions:				
Police Department:				
Salaries and Wages	18,333.19	18,333.19	310.00	18,023.19
Other Expenses	15,929.00	15,929.00	11,707.60	4,221.40
Aid to Volunteer Fire Company:				
Other Expenses	45,644.43	45,644.43	31,980.81	13,663.62
Municipal Court:				
Other Expenses	5,997.95	5,997.95	565.24	5,432.71
Public Works Functions:				
Snow Removal:				
Salaries and Wages	30,000.00	30,000.00	30,000.00	-
Other Expenses	21,837.59	21,837.59	21,267.59	570.00
Solid Waste Sanitation:				
Other Expenses	21,023.64	21,023.64	10,889.00	10,134.64
Streets & Road Maintenance:				
Other Expenses	26,803.33	26,803.33	4,802.57	22,000.76
Buildings & Grounds:				
Other Expenses	19,018.81	19,018.81	5,902.82	13,115.99
Vehicle Maintenance:				
Other Expenses	6,476.31	6,476.31	3,429.76	3,046.55
Park & Recreation Functions:				
Maintenance of Parks:				
Other Expenses	36,982.33	36,982.33	33,107.53	3,874.80
Utility Expenses & Bulk Purchases:				
Electricity	10,788.00	10,788.00	10,788.00	-
Street Lighting	9,968.97	9,968.97	9,968.97	-
Telephone	3,453.28	3,453.28	1,180.39	2,272.89
Water/Fire Hydrant Service	36,863.89	36,863.89	25,430.10	11,433.79
Heating	3,606.76	3,606.76	1,127.94	2,478.82
Gasoline	13,080.82	13,080.82	2,220.98	10,859.84
Landfill/Solid Waste Disposal Costs:				
Sanitary Landfill	99,139.05	99,139.05	34,849.56	64,289.49
Interlocal Service Agreements - Swedesboro:				
Recreation	7,935.36	7,935.36	5,587.61	2,347.75
Deferred Charges & Statutory Expenditures:				
Social Security System (O.A.S.I.)	3,762.33	3,762.33	24.42	3,737.91
Defined Contribution Retirement Program	1,037.77	1,037.77	17.42	1,020.35
All Others	25,877.16	25,877.16	-	25,877.16
Total	<u>742,160.64</u>	<u>742,160.64</u>	<u>371,742.03</u>	<u>370,418.61</u>
2016 Appropriation Reserves	\$ 577,706.59	Cash	\$ 368,081.77	
2016 Encumbrances	<u>159,653.95</u>	Accounts Payable	<u>3,660.26</u>	
Total	<u>\$ 737,360.54</u>	Total	<u>\$ 371,742.03</u>	

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016:		
School Tax Deferred	\$ 5,410,504.32	
School Tax Payable	<u>2,580,506.47</u>	7,991,010.79
Increased by Levy:		
School Year July 1, 2017 - June 30, 2018		<u>16,030,979.00</u>
Subtotal		24,021,989.79
Decreased by:		
Payments		<u>16,006,499.98</u>
Subtotal		8,015,489.81
Balance December 31, 2017:		
School Tax Deferred	5,410,504.32	
School Tax Payable	<u>2,604,985.49</u>	
Balance December 31, 2017		<u><u>\$ 8,015,489.81</u></u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2017 Payments	\$ 16,006,499.98
Less School Taxes Payable at December 31, 2016	2,580,506.47
Plus School Taxes Payable at December 31, 2017	<u>2,604,985.49</u>
Amount Charged to 2017 Operations	<u><u>\$ 16,030,979.00</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 0.12
Increased by:	
Levy - Calendar Year	<u>10,333,009.00</u>
Subtotal	10,333,009.12
Decreased by:	
Payments	<u>10,333,009.02</u>
Balance December 31, 2017	<u><u>\$ 0.10</u></u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 66,468.51
Increased by:		
General County Taxes	\$ 7,801,147.44	
County Library Taxes	586,651.38	
County Open Space Preservation	493,555.68	
County Added & Omitted Taxes	115,331.72	8,996,686.22
Subtotal		9,063,154.73
Decreased by:		
Payments		8,948,024.61
Balance, December 31, 2017		\$ <u>115,130.12</u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

GRANT	BALANCE DECEMBER 31, 2016	ANTICIPATED REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	ADJUSTMENT	BALANCE DECEMBER 31, 2017
State Grants:						
Municipal Alliance for Drug and Alcohol Abuse	\$ 13,635.20	\$ -	\$ -	\$ -	\$ -	\$ 13,635.20
Body Armor Grant	515.56	2,184.17	-	2,184.17	-	515.56
Sustainable Jersey Small Grant	12,862.85	-	-	-	-	12,862.85
Recycling Tonnage Grant	12,525.26	12,853.20	25,378.46	-	-	-
Alcohol Education and Rehabilitation Grant	(295.97)	2,019.64	418.21	1,601.43	295.97	-
Clean Communities Program	1,159.63	48,958.09	22,488.00	26,470.09	-	1,159.63
DVRPC - Master Plan	89,452.35	-	64,081.69	-	-	25,370.66
NJ Department of Transportation - Bikeways	170,000.00	-	-	-	-	170,000.00
NJ Department of Transportation - Shared Use Path	194,047.00	-	127,500.00	-	-	66,547.00
NJDEP - Recreation Trails Program - match	6,000.00	-	-	-	-	6,000.00
Federal Grants:						
Drunk Driving Enforcement Grant	5,246.60	-	3,080.00	-	-	2,166.60
Distracted Driving Grant	-	2,392.50	2,392.50	-	-	-
Click It or Ticket Grant	-	2,200.00	2,200.00	-	-	-
NJDEP - Recreation Trails Program	24,000.00	-	24,000.00	-	-	-
CDBG	13,239.20	-	-	-	-	13,239.20
Total	\$ 542,387.68	\$ 70,607.60	\$ 271,538.86	\$ 30,255.69	\$ 295.97	\$ 311,496.70

Cash Receipts \$ 144,038.86
Due from Capital Fund 127,500.00

Total

\$ 271,538.86

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

APPROPRIATION	BALANCE DECEMBER 31, 2016	2017 BUDGET APPROPRIATION	ENCUMBRANCES RECLASSIFIED	EXPENDED	ENCUMBRANCES	ADJUSTED	BALANCE DECEMBER 31, 2017
State:							
Recycling Tonnage Grant	\$ 50,308.18	\$ 12,853.20	\$ 300.00	\$ 61,579.40	\$ 11,216.00	\$ 28,381.78	\$ 19,047.76
SHARE Grant	19,918.99	-	-	-	-	-	19,918.99
Clean Communities Grant	62,914.44	48,958.09	-	26,195.56	1,797.00	(28,381.78)	55,498.19
Municipal Alliance for Drug and Alcohol Abuse							
State Share	4,895.00	-	-	-	-	-	4,895.00
Municipal Share	17,582.31	-	-	-	-	-	17,582.31
Hazardous Site Remediation Grants:							
Jersey Fresh Grant	600.00	-	-	-	-	-	600.00
Alcohol Education Rehabilitation Grant							
Municipal Court - Salaries and Wages	4,160.17	2,082.64	-	970.00	-	-	5,272.81
Body Armor Replacement Grant	10,230.03	2,184.17	-	9,440.20	-	-	2,974.00
Sustainable Jersey Small Grant	3,250.00	-	-	-	-	-	3,250.00
DVRPC - Master Plan	-	-	621.46	-	621.46	-	-
NUDEP - Recreation Trails Program							
Municipal Share	6,000.00	-	-	-	-	-	6,000.00
NJDOT - Shared Use Path	194,047.00	-	-	-	-	-	194,047.00
NJDOT - Bikeways	104,500.00	-	41,052.75	33,928.76	7,123.99	-	104,500.00
Total State	478,406.12	66,078.10	41,974.21	132,113.92	20,758.45	-	433,586.06
Federal:							
Municipal Stormwater Regulation Grant	588.50	-	-	-	-	-	588.50
Drunk Driving Enforcement Func	10,438.76	-	-	4,487.15	-	-	5,951.61
Distracted Driving Grant	-	2,392.50	-	2,392.50	-	-	-
Click It or Ticket Grant	-	2,200.00	-	2,200.00	-	-	-
NUDEP - Recreation Trails Program	24,000.00	-	-	-	-	-	24,000.00
Community Development Block Grant	1,145.83	-	-	-	-	-	1,145.83
Total Federal	36,173.09	4,592.50	-	9,079.65	-	-	31,685.94
Total	\$ 514,579.21	\$ 70,670.60	\$ 41,974.21	\$ 141,193.57	\$ 20,758.45	\$ -	\$ 465,272.00

TOWNSHIP OF WOOLWICH
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017

GRANT	BALANCE DECEMBER 31, 2016	TRANSFERRED TO 2017 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2017
State Grants:				
Recycling Tonnage Grant	\$ -	\$ -	\$ 13,582.41	\$ 13,582.41
Alcohol Education Rehabilitation Grant	1,601.43	1,601.43	-	-
Clean Communities Grant	26,470.09	26,470.09	-	-
Click It or Ticket	-	-	-	-
Body Armor Grant	2,184.17	2,184.17	2,428.28	2,428.28
	<hr/>			
Total Grants	\$ 30,255.69	\$ 30,255.69	\$ 16,010.69	\$ 16,010.69
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TRUST FUND

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**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	TRUST OTHER	MUNICIPAL OPEN SPACE	ANIMAL CONTROL
Balance December 31, 2016	\$ 2,002,103.91	\$ 747,944.18	\$ 7,559.10
Increased by Receipts:			
Public Defender Fees	\$ 2,832.38	\$ -	\$ -
COAH Trust Funds	7,740.43	-	-
Unemployment Trust	9.46	-	-
Escrow Deposits	343,766.66	-	-
Woolwich Recreation Trust	91,654.49	-	-
Police Forfeited Funds	541.45	-	-
Deposits for Police Overtime	656,424.19	-	-
Municipal Open Space Tax	-	566,700.00	-
Developer's Tree Compensation	262.06	-	-
UCC Fees	425,510.40	-	-
Developer's Recreation Fees	150.13	-	-
Payroll	4,587,548.06	-	-
Snow Removal	42,717.29	-	-
POAA	26.54	-	-
Municipal Functions Developer's Fees	440,697.27	-	-
Developer's Open Space	2,434.81	-	-
Election	13,800.00	-	-
Interfunds Received	-	-	-
Dog License Fees	-	-	6,777.00
Interest	-	841.91	8.84
	<u>6,616,115.62</u>	<u>567,541.91</u>	<u>6,785.84</u>
Subtotal	<u>8,618,219.53</u>	<u>1,315,486.09</u>	<u>14,344.94</u>
Decreased by Disbursements:			
Animal Control Expenditures	-	-	6,451.87
Municipal Open Space	-	648,427.06	-
Woolwich Recreation Trust	108,874.50	-	-
Unemployment Trust	5,553.42	-	-
Developer's Tree Compensation	40,582.38	-	-
Police Overtime Expenses	634,776.62	-	-
Public Defender Fees	3,125.00	-	-
Municipal Functions Developer's Fees	413,606.41	-	-
Police Forfeited Funds	-	-	-
UCC Trust	711,847.17	-	-
Developer's Recreation Fees	13,962.90	-	-
Payroll	4,568,881.87	-	-
Snow Removal Trust	54,915.53	-	-
Escrow Disbursements	285,638.68	-	-
Developer's Open Space	14,212.67	-	-
Polling for Local Elections	13,800.00	-	-
	<u>6,869,777.15</u>	<u>648,427.06</u>	<u>6,451.87</u>
Balance December 31, 2017	<u>\$ 1,748,442.38</u>	<u>\$ 667,059.03</u>	<u>\$ 7,893.07</u>

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2017**

	TAX TITLE LIEN REDEMPTION TRUST FUND	TAX PREMIUM TRUST FUND
Balance - December 31, 2016	\$ 10,138.82	\$ 293,120.79
Increased by:		
Premiums Received from Tax Sale	\$ 128,326.60	\$ 95,922.38
	128,326.60	95,922.38
	138,465.42	389,043.17
Decreased by:		
Refund of Premium Upon Redemption	128,578.71	157,920.79
	128,578.71	157,920.79
Balance - December 31, 2017	\$ 9,886.71	\$ 231,122.38

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 7,464.86
Increased by Receipts:		
Dog License Fees	\$ 6,777.00	
Interest	8.84	6,785.84
		<hr/>
Subtotal		14,250.70
Decreased by Disbursements:		
Disbursements to State of New Jersey	1,413.60	
Disbursements for Dog License Expenses	5,038.27	6,451.87
		<hr/>
Balance December 31, 2017		<u>\$ 7,798.83</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2016	\$ 7,429.00
2015	11,006.46
	<hr/>
Total	<u>\$ 18,435.46</u>

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 10,138.82
Increased by:	
Cash Receipts	<u>128,326.60</u>
Subtotal	138,465.42
Decreased by:	
Disbursements	<u>128,578.71</u>
Balance December 31, 2017	<u><u>\$ 9,886.71</u></u>

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 293,120.79
Increased by:		
Interest	\$ 222.38	
Premiums Received at Tax Sale	95,700.00	95,922.38
		<hr/>
Subtotal		389,043.17
Decreased by:		
Cash Disbursements		<hr/>
		157,920.79
Balance December 31, 2017		<hr/> <hr/>
		\$ 231,122.38

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 425,280.42
Increased by:		
Tax Levy Received	\$ 566,700.00	
Added Taxes Due from Current Fund	7,404.01	
Contribution from State - Purchase of Farmland	122,500.00	
Interest	841.91	<u>697,445.92</u>
Subtotal		1,122,726.34
Decreased by:		
Debt Service Payments Due to Current Fund	185,188.00	
Expenditures for Open Space	648,427.06	<u>833,615.06</u>
Balance December 31, 2017		<u><u>\$ 289,111.28</u></u>

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	INCREASED BY			DECREASED BY			BALANCE DECEMBER 31, 2017
		RECEIPTS	INTEREST EARNINGS	OTHER	DISBURSEMENTS	OTHER		
Public Defender	\$ 3,043.88	\$ 2,830.00	\$ 2.38	\$ -	\$ 3,125.00	\$ -	\$ 2,751.26	
Payroll Deductions Payable	1,936.79	4,587,548.06	-	-	4,568,881.87	-	20,602.98	
Site Plan Review Escrow	679,550.92	342,701.65	1,065.01	-	285,638.68	-	737,678.90	
Municipal Functions Donations	125,129.07	440,484.35	212.92	-	413,606.41	-	152,219.93	
Police Overtime	6,434.51	656,365.52	58.67	-	634,776.62	-	28,082.08	
UCC Trust	933,047.18	425,067.63	442.77	41,706.00	711,847.17	-	688,416.41	
P.O.A.A. - Parking Fines	498.07	26.00	0.54	-	-	-	524.61	
Police Forfeited Funds	3,865.26	535.45	6.00	-	-	6.42	4,400.29	
Developer's Open Space	18,267.95	2,425.14	9.67	-	14,212.67	-	6,490.09	
Developer's Tree Compensation	364,331.76	25.00	237.06	-	40,582.38	-	324,011.44	
Snow Removal	31,936.44	42,667.92	49.37	-	54,915.53	-	19,738.20	
Developer's Recreation Fees	127,641.65	-	150.13	-	13,962.90	-	113,828.88	
COAH Fees	314,766.35	7,262.10	478.33	-	-	-	322,506.78	
Election	250.00	13,800.00	-	-	13,800.00	-	250.00	
Woolwich Recreation Trust	41,273.96	91,593.19	61.30	6.42	108,874.50	-	24,060.37	
Unemployment Trust	7,979.22	-	9.46	-	5,553.42	-	2,435.26	
	\$ 2,659,953.01	\$ 6,613,332.01	\$ 2,783.61	\$ 41,712.42	\$ 6,869,777.15	\$ 6.42	\$ 2,447,997.48	

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GENERAL CAPITAL FUND

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**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$18,388.88
Increased by:	
Improvement Authorizations Cancelled	<u>399,783.25</u>
Balance December 31, 2017	<u><u>\$418,172.13</u></u>

**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 1,495,448.25
Increased by Receipts:		
Interest on Investments	726.68	
GCIA Receivable	601,577.68	
Due to Grant Fund	127,500.00	
Due to Municipal Open Space Fund	<u>122,500.00</u>	<u>852,304.36</u>
Subtotal		2,347,752.61
Decreased by Disbursements:		
Improvement Authorizations	1,050,982.22	
Bond Anticipation Notes Paid From Bond Proceeds	<u>-</u>	<u>1,050,982.22</u>
Balance December 31, 2017		<u><u>\$ 1,296,770.39</u></u>

TOWNSHIP OF WOOLWICH
 GENERAL CAPITAL FUND
 ANALYSIS OF CASH
 AT DECEMBER 31, 2017

	BALANCE DECEMBER 31, 2016	BOND PROCEEDS	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2017
			MISCELLANEOUS		IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	TO	FROM	
Fund Balance	\$ 18,388.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,783.25	\$ -	\$ 418,172.13
Due from Trust Other	(326,856.64)	-	122,500.00	-	-	-	-	-	(204,356.64)
Due to Grant Fund	-	-	127,500.00	-	-	-	-	-	127,500.00
Due from State of New Jersey	(207,008.35)	-	-	-	-	-	-	-	(207,008.35)
Due from State of New Jersey - DOT	-	-	-	-	-	-	193,000.00	-	(193,000.00)
Due from Gloucester County Improvement Authority	(601,577.68)	-	601,577.68	-	-	-	-	-	-
Capital Improvement Fund	179,483.35	-	-	-	-	-	-	-	179,483.35
Due to Current Fund	(114,314.58)	-	726.68	-	-	-	-	-	(113,587.90)
Reserve for Encumbrances	919,255.61	-	-	-	-	1,419,599.21	-	919,255.61	1,419,599.21
Reserve for Payment of Debt	161,838.65	-	-	-	-	-	-	-	161,838.65
Reserve for Developer's Deposits	173,465.05	-	-	-	-	-	-	-	173,465.05
IMPROVEMENT AUTHORIZATIONS:									
ORDINANCE									
NUMBER									
05-29	69,800.44	-	-	-	-	-	-	69,800.44	-
05-30	142,078.76	-	-	-	-	-	-	142,078.76	-
05-30	36,031.76	-	-	-	-	-	-	36,031.76	-
07-16	19,145.50	-	-	-	-	-	-	19,145.50	-
08-10	332.16	-	-	-	-	-	-	332.16	-
08-12	129,700.52	-	-	-	-	-	-	129,700.52	-
10-13	122,650.52	-	-	12,600.00	-	-	-	40,265.00	69,785.52
10-25a	12,638.37	-	-	-	-	-	1,945.00	-	14,583.37
10-25b	13,023.06	-	-	-	-	-	-	-	13,023.06
11-08	505.20	-	-	-	-	-	-	-	505.20
11-08	321.76	-	-	-	-	-	-	321.76	-
11-08	1,619.29	-	-	-	-	-	-	1,619.29	-
12-14	753.06	-	-	-	-	-	-	753.06	-
12-15	12,485.00	-	-	-	-	-	-	-	12,485.00
12-20	18,588.00	-	-	-	-	-	-	-	18,588.00
13-08	2,738.82	-	-	27,500.00	-	-	34,599.14	7,099.14	2,738.82
14-03	29,212.45	-	-	9,212.00	-	-	-	6,895.30	13,105.15
14-16	17,160.50	-	-	-	-	-	-	-	17,160.50
15-14	2,542.82	-	-	-	-	-	-	-	2,542.82
15-16	45,035.27	-	-	-	-	-	-	-	45,035.27
16-09	76,518.00	-	-	607,753.36	-	-	607,753.36	-	76,518.00
16-10	539,892.70	-	-	393,916.86	-	-	274,958.11	371,139.77	49,794.18
17-16	-	-	-	-	-	-	193,000.00	-	193,000.00
17-19	-	-	-	-	-	-	994,200.00	-	(994,200.00)
Total	\$ 1,495,448.25	\$ -	\$ 852,304.36	\$ 1,050,982.22	\$ -	\$ 2,931,638.07	\$ 2,931,638.07	\$ 2,931,638.07	\$ 1,296,770.39

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 10,257,777.93
Increased by:		
2017 Serial Bonds Issued		<u>6,535,000.00</u>
Subtotal		16,792,777.93
Decreased by:		
2017 Budget Appropriation to Pay General Serial Bonds	\$ 610,000.00	
Green Trust Loan Bonds	<u>28,888.92</u>	<u>638,888.92</u>
Balance December 31, 2017		<u><u>\$ 16,153,889.01</u></u>

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	REDUCTIONS	BALANCE DECEMBER 31, 2017	ANALYSIS OF BALANCE DECEMBER 31, 2017		
						UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED	BOND ANTICIPATION NOTES
17-19	Various Sewer Improvements	\$ -	\$ 15,400,000.00	\$ -	\$ 15,400,000.00	\$ 14,405,800.00	\$ 994,200.00	\$ -
	Total	\$ -	\$ 15,400,000.00	\$ -	\$ 15,400,000.00	\$ 14,405,800.00	\$ 994,200.00	\$ -

Transferred to Bonds	\$ -
Paid by Current Fund	-
Cancellation	-
	<u>\$ -</u>

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 179,483.35
Increased By:	
Transfer from Current Fund Budget	<u>-</u>
Subtotal	179,483.35
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>-</u>
Balance December 31, 2017	<u><u>\$ 179,483.35</u></u>

TOWNSHIP OF WOOLWICH
 GENERAL CAPITAL FUND
 STATEMENT OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2017

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR		CURRENT YEAR ENCUMBRANCES PAYABLE	CANCELLED	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED		PAYABLES	PAYABLES			FUNDED	UNFUNDED
05-29	Acquisition of Land	8/15/2005	\$ 400,000.00	\$ 69,800.44	\$ -	\$ -	\$ -	\$ -	\$ 69,800.44	\$ -	\$ -	\$ -
05-30, 06-28, 07-45, 09-15	Locke Avenue Park Expansion	9/8/2009	4,250,000.00	142,078.76	-	-	-	-	142,078.76	-	-	-
05-30, 06-28, 07-45, 09-15	PMC Building Construction	8/15/2005	250,000.00	36,031.76	-	-	-	-	36,031.76	-	-	-
07-16	2007 Road Program	5/21/2007	520,000.00	19,145.50	-	-	-	-	19,145.50	-	-	-
08-10	Acquisition of Public Works Equipment	6/2/2008	30,000.00	332.16	-	-	-	-	332.16	-	-	-
08-12	Acquisition of Land - Nike Base	7/7/2008	900,000.00	129,700.52	-	-	-	-	129,700.52	-	-	-
10-13	Russell Mill Road Phase 3 & 4	5/17/2010	420,000.00	122,650.52	-	-	-	12,600.00	-	-	69,785.52	-
10-25a	Various Road Improvements	11/1/2010	200,000.00	12,638.37	-	-	1,945.00	-	-	-	14,583.37	-
10-25b	Road Drainage Improvements	11/1/2010	100,000.00	13,023.06	-	-	-	-	-	-	13,023.06	-
11-8	Public Works Equipment	7/18/2011	88,113.20	505.20	-	-	-	-	-	-	505.20	-
11-8	Various Roadway Improvements - 2	7/18/2011	125,000.00	321.76	-	-	-	-	321.76	-	-	-
11-8	Various Roadway Improvements - 1	7/18/2011	177,644.00	1,619.29	-	-	-	-	1,619.29	-	-	-
12-14	Various Roadway Improvements	7/18/2011	104,526.72	753.06	-	-	-	-	753.06	-	-	-
12-15	Various Road Improvements		266,000.00	-	-	-	-	-	-	-	-	-
12-15	Acquisition of Fire Truck		657,000.00	-	-	-	-	-	-	-	-	-
12-15	Field Drainage Improvements		45,000.00	12,485.00	-	-	-	-	-	-	12,485.00	-
12-15	Acquisition of Public Safety Equipment		40,000.00	-	-	-	-	-	-	-	-	-
12-15	Acquisition of Public Works Equipment		125,000.00	-	-	-	-	-	-	-	-	-
12-15	Acquisition of Public Safety Vehicles		81,000.00	-	-	-	-	-	-	-	-	-
12-20	Public Works Garage		324,797.71	18,588.00	-	-	-	-	-	-	18,588.00	-
13-08	Various Capital Improvements and Equipment		380,000.00	2,738.82	-	-	-	7,099.14	-	-	2,738.82	-
14-03	Public Works, Public & Fire Safety Equipment		70,000.00	29,212.45	-	-	34,599.14	6,895.30	-	-	13,105.15	-
14-16	Acquisition of Real Property		550,000.00	17,160.50	-	-	-	-	-	-	17,160.50	-
15-14	Public Works Equipment		12,485.00	2,542.82	-	-	-	-	-	-	2,542.82	-
15-16	Roadway Improvements		375,000.00	45,035.27	-	-	-	-	-	-	45,035.27	-
16-09	Acquisition of Transfer Development Rights		2,100,000.00	76,518.00	-	-	607,753.36	-	-	-	76,518.00	-
16-10	Various Capital Improvements		883,111.00	559,892.70	-	-	274,958.11	371,139.77	-	-	49,794.18	-
17-16	Various Roadway and Drainage Improvements		193,000.00	-	-	193,000.00	-	-	-	-	193,000.00	-
17-19	Various Sewer Improvements		15,400,000.00	-	-	15,400,000.00	-	994,200.00	-	-	-	14,405,800.00
Total			\$ 1,292,773.96	\$ -	\$ -	\$ 15,593,000.00	\$ 919,255.61	\$ 1,050,982.22	\$ 1,419,599.21	\$ 399,783.25	\$ 528,864.89	\$ 14,405,800.00

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2017		INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT					
General Obligation Refunding Bonds - Series 2015	4/30/2015	5,260,000	12/15/2018	460,000.00	3.000%	\$ 4,485,000.00	\$ -	\$ 445,000.00	\$ 4,040,000.00
			12/15/2019	460,000.00	3.000%				
			12/15/2020	480,000.00	3.000%				
			12/15/2021	505,000.00	3.000%				
			12/15/2022	515,000.00	3.000%				
			12/15/2023	525,000.00	3.000%				
			12/15/2024	535,000.00	3.000%				
			12/15/2025	560,000.00	3.000%				
General Obligation Bonds - 2016	10/13/2016	\$5,500,000	10/1/2018	200,000.00	3.000%	5,500,000.00	-	165,000.00	5,335,000.00
			10/1/2019	205,000.00	4.000%				
			10/1/2020	210,000.00	4.000%				
			10/1/2021	215,000.00	4.000%				
			10/1/2022	225,000.00	4.000%				
			10/1/2023	230,000.00	4.000%				
			10/1/2024	235,000.00	4.000%				
			10/1/2025	240,000.00	2.000%				
			10/1/2026	325,000.00	2.000%				
			10/1/2027	325,000.00	2.250%				
			10/1/2028	325,000.00	2.250%				
			10/1/2029	325,000.00	2.250%				
			10/1/2030	325,000.00	2.500%				
			10/1/2031	325,000.00	2.500%				
			10/1/2032	325,000.00	2.500%				
			10/1/2033	325,000.00	2.750%				
			10/1/2034	325,000.00	3.000%				
			10/1/2035	325,000.00	3.000%				
			10/1/2036	325,000.00	3.000%				
			General Obligation Refunding Bonds - Series 2017	8/23/2017	\$6,535,000				
7/1/2019	350,000.00	2.000%							
7/1/2020	360,000.00	3.000%							
7/1/2021	370,000.00	3.000%							
7/1/2022	380,000.00	3.000%							
7/1/2023	390,000.00	4.000%							
7/1/2024	410,000.00	4.000%							
7/1/2025	425,000.00	4.000%							
7/1/2026	445,000.00	4.000%							
7/1/2027	460,000.00	4.000%							
7/1/2028	480,000.00	4.000%							
7/1/2029	500,000.00	4.000%							
7/1/2030	520,000.00	4.000%							
7/1/2031	545,000.00	4.000%							
7/1/2032	560,000.00	4.000%							
Totals						\$ 9,985,000.00	\$ 6,535,000.00	\$ 610,000.00	\$ 15,910,000.00
								Paid from Current Fund	\$ 610,000.00
								Total	\$ 610,000.00

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST LOANS
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017		
			DECEMBER 31, 2017 DATE	AMOUNT						
Locke Avenue Park	1/4/2002	\$ 150,000.00	1/12/2018	4,264.24	2.00%	\$ 48,351.92	\$ 8,402.24	\$ 39,949.68		
			7/12/2018	4,306.88	2.00%					
			1/12/2019	4,349.95	2.00%					
			7/12/2019	4,393.45	2.00%					
			1/12/2020	4,437.39	2.00%					
			7/12/2020	4,481.76	2.00%					
			1/12/2021	4,526.58	2.00%					
			7/12/2021	4,571.86	2.00%					
			1/12/2022	4,617.57	2.00%					
			4/26/2018	10,397.24	2.00%	224,426.01	20,486.68	203,939.33		
			10/26/2018	10,501.22	2.00%					
Park Expansion		400,000.00	4/26/2019	10,606.23	2.00%					
			10/26/2019	10,712.29	2.00%					
			4/26/2020	10,819.41	2.00%					
			10/26/2020	10,927.61	2.00%					
			4/26/2021	11,036.88	2.00%					
			10/26/2021	11,147.25	2.00%					
			4/26/2022	11,258.73	2.00%					
			10/26/2022	11,371.31	2.00%					
			4/26/2023	11,485.03	2.00%					
			10/26/2023	11,599.88	2.00%					
			4/26/2024	11,715.88	2.00%					
			10/26/2024	11,833.03	2.00%					
			4/26/2025	11,951.36	2.00%					
		10/26/2025	12,070.88	2.00%						
		4/26/2026	12,191.60	2.00%						
		10/26/2026	12,313.50	2.00%						
Total								\$ 272,777.93	\$ 28,888.92	\$ 243,889.01

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2017		INTEREST RATE	BALANCE DECEMBER 31, 2016	BALANCE DECEMBER 31, 2017	
			DATE	AMOUNT				
Municipal Complex Project	8/22/2007	\$11,225,000.00				\$ 8,730,000.00	\$ -	
Total							\$ 8,730,000.00	\$ -
							\$ 8,730,000.00	\$ -
							Paid by Current Fund	\$ 380,000.00
							Paid by Bond Refunding	8,350,000.00
							<u>\$ 8,730,000.00</u>	<u>\$ -</u>

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	2017 REDUCTIONS	CANCELLED	BALANCE DECEMBER 31, 2017
17-19	Various Sewer Improvements	\$ -	\$ 15,400,000.00	\$ -	\$ -	\$ 15,400,000.00
	Total	\$ -	\$ 15,400,000.00	\$ -	\$ -	\$ 15,400,000.00

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 207,008.35
Increased By:	
Current Year Grant Awards	<u>193,000.00</u>
Balance December 31, 2017	<u><u>\$ 400,008.35</u></u>

Analysis of Grants Receivable

State Aid Receivable - Prior Years - unknown	\$ 207,008.35
NJDOT - Russell Mill Road/Cloverdale Road Improvements - Ord 2017-16	<u>193,000.00</u>
Total	<u><u>\$ 400,008.35</u></u>

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TOWNSHIP OF WOOLWICH

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

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TOWNSHIP OF WOOLWICH
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Finding 2017-001:

Criteria or specific requirement:

That an accurate general ledger be maintained for all funds.

Condition:

Closing and adjusting entries are not being properly posted in the Township's general ledger accounting system for the General Capital Fund.

Cause:

Lack of resources in the finance office.

Effect or potential effect:

Ending balances in the client's general ledger for the General Capital Fund do not accurately reflect activity for the year.

Recommendation:

That the client posts all adjusting and closing entries to the general ledger at year end for the General Capital Fund.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding 2017-002:

Criteria or specific requirement:

That the Township have written standard operating procedures in place.

Condition:

In review of the Township's internal control procedures, our audit revealed that no written Standard Operating Procedures manual is in place.

Cause:

Lack of resources.

Effect or potential effect:

Internal control procedures not being effectively communicated to personnel.

TOWNSHIP OF WOOLWICH
SCHEDULE OF FINANCIAL STATEMENT FINDINGS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Finding 2017-002 (continued):

Recommendation:

The Township develop a Standard Operating Procedures manual and document the controls in place that all employees should follow and the responsibilities of each position in the Township.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding 2017-003:

Criteria or specific requirement:

That Trust Funds be used for purposes as approved by the Budget Rider filed with the State of New Jersey Department of Community Affairs.

Condition:

During our audit of the Township's Municipal Functions Donation Trust Fund, it was determined that the Trust Fund is being used for purposes other than those approved by the Budget Rider filed with the State of New Jersey Department of Community Affairs.

Cause:

General ledger incorrectly setup for this fund.

Effect or potential effect:

Activity posted to this Trust Fund does not accurately reflect the approved activity.

Recommendation:

That the Township utilizes the Municipal Functions Donations Trust Fund only for activities approved under the Budget Rider.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding 2017-004:

Criteria or specific requirement:

That the Township actively pursue all receivables due to the Township.

Condition:

During our audit of the State and Federal Grant Fund and the General Capital Fund, it was noted that there are several grant receivables that have been outstanding for several years.

TOWNSHIP OF WOOLWICH
SCHEDULE OF FINANCIAL STATEMENT FINDINGS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Finding 2017-004 (continued):

Cause:

Not actively pursuing old grant receivables.

Effect or potential effect:

Inability to collect receivables due to the Township.

Recommendation:

That the Township actively pursue collection of all outstanding receivables.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

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

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding No. 2016-001

Condition:

Tax adjustments and other closing entries are not being properly posted in the Township's General Ledger accounting system for the Current Fund and General Capital Fund.

Current Status:

This finding has been partially corrected. See Finding 2017-001.

Finding No. 2016-002

Condition:

In review of the Township's internal control procedures, our audit revealed that no written Standard Operating Procedures manual is in place.

Current Status:

This finding has not been corrected. See Finding 2017-002.

Finding No. 2016-003

Condition:

During our audit of the Township's Municipal Functions Donation Trust Fund, it was determined that the Trust Fund is being used for purposes other than those approved by the Budget Rider filed with the State of New Jersey Department of Community Affairs.

Current Status:

This finding has not been corrected. See Finding 2017-003.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

TOWNSHIP OF WOOLWICH

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2017

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>
Alan Schwager	Mayor
Frank Rizzi	Deputy Mayor
John A. Carleton	Committee Member
Jordan Schlump	Committee Member
Dan Battisti	Committee Member
Jane DiBella	Township Administrator/Clerk
William Pine	Chief Financial Officer
Kim Jaworski	Tax Collector
James Sabetta	Construction Code Official
Angela Kalnas	Court Administrator
Maria Tiver	Deputy Court Administrator
William Golden	Court Magistrate
Mark Shoemaker, Esq.	Solicitor
The Alamio Group	Engineer

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

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HOLMAN | FRENIA
ALLISON, P.C.

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2017.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2017.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum 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.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 2, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Woolwich, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Woolwich, 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 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

***Finding 2017-01** (*Finding 2017-001 in the Schedule of Financial Statement Findings section*) - Closing and adjusting entries are not being properly posted in the Township's general ledger accounting system for the General Capital Fund.

***Finding 2017-02** (*Finding 2017-002 in the Schedule of Financial Statement Findings section*) - In review of the Township's internal control procedures, our audit revealed that no written Standard Operating Procedures manual is in place.

***Finding 2017-03** (*Finding 2017-003 in the Schedule of Findings and Recommendations section*) - During our audit of the Township's Municipal Functions Donation Trust Fund, it was determined that the Trust Fund is being used for purposes other than those approved by the Budget Rider filed with the State of New Jersey Department of Community Affairs.

Finding 2017-04 (*Finding 2017-004 in the Schedule of Financial Statement Findings section*) - During our audit of the State and Federal Grant Fund and the General Capital Fund, it was noted that there are several grant receivables that have been outstanding for several years.

*Denotes Prior Year Finding.

RECOMMENDATIONS:

Finding 2017-01 - That the Township posts all adjusting and closing entries to the general ledger at year end for the General Capital Fund.

Finding 2017-02 - The Township develop a Standard Operating Procedures manual and document the controls in place that all employees should follow and the responsibilities of each position in the Township.

Finding 2017-03 - That the Township utilizes the Municipal Functions Donations Trust Fund only for activities approved under the Budget Rider.

Finding 2017-04 - That the Township actively pursue collection of all outstanding receivables.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
June 21, 2018