

**TOWNSHIP OF WOOLWICH**  
**AUDIT REPORT FOR THE YEAR**  
**ENDED DECEMBER 31, 2018**



**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER**

**CONTENTS**

**PART 1**

	<b>PAGE</b>
Independent Auditor’s Report	1
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 <i>Governmental Auditing Standards</i>	5
<b>Financial Statements – Regulatory Basis:</b>	<b>EXHIBITS</b>
<b>Current Fund:</b>	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A 9
Statements of Operations and Changes in Fund Balance – Regulatory Basis	A-1 11
Statement of Revenues – Regulatory Basis	A-2 12
Statement of Expenditures – Regulatory Basis	A-3 13
<b>Trust Fund:</b>	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B 17
Statement of Revenues – Regulatory Basis – Municipal Open Space Fund	B-1 19
Statement of Expenditures – Regulatory Basis – Municipal Open Space Fund	B-2 20
<b>General Capital Fund:</b>	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C 21
<b>General Fixed Assets:</b>	
Statements of Fixed Assets & Fund Balance – Regulatory Basis	D 22
Notes to Financial Statements	25
<b>Supplemental Exhibits:</b>	
<b>Current Fund</b>	
Schedule of Cash - Treasurer	A-4 61
Schedule of Cash - Collector	A-5 62
Schedule of Taxes Receivable	A-6 63
Schedule of Tax Title Liens	A-7 64
Schedule of Revenue Accounts Receivable	A-8 65
Schedule of 2017 Appropriation Reserves	A-9 66
Schedule of Local District Tax	A-10 67
Schedule of Regional High School Tax Payable	A-11 67
Schedule of County Taxes Payable	A-12 68

(continued)

	<b>EXHIBITS</b>	<b>PAGE</b>
Current Fund (continued):		
Schedule of State and Federal Grants Receivable	A-13	69
Schedule of Reserves for State and Federal Grants – Appropriated	A-14	70
Schedule of Reserves for State and Federal Grants – Unappropriated	A-15	71
Trust Fund:		
Schedule of Cash – Treasurer	B-3	75
Schedule of Cash - Collector	B-4	76
Schedule of Reserve for Animal Control Expenditures	B-5	77
Schedule of Redemption of Tax Title Liens	B-6	78
Schedule of Premiums Received at Tax Sale	B-7	79
Schedule of Reserve for Municipal Open Space	B-8	80
Schedule of Miscellaneous Trust Reserves	B-9	81
General Capital Fund:		
Schedule of Fund Balance	C-1	85
Schedule of Cash - Treasurer	C-2	85
Analysis of General Capital Cash	C-3	86
Schedule of Deferred Charges to Future Taxation – Funded	C-4	87
Schedule of Deferred Charges to Future Taxation – Unfunded	C-5	88
Schedule of Capital Improvement Fund	C-6	89
Schedule of Improvement Authorizations	C-7	90
Schedule of General Serial Bonds	C-8	91
Schedule of Green Acres Trust Loans	C-9	92
Schedule of Bonds and Notes Authorized but Not Issued	C-10	93
Schedule of Capital Grants Receivable	C-11	94

**PART II**

**PAGE**

Schedule of Financial Statement Findings – Government Auditing Standards:		
Schedule of Financial Statement Findings		97
Summary Schedule of Prior Year Audit Findings and Questioned Costs As Prepared by Management		100

**PART III**

**PAGE**

Letter of Comments and Recommendations – Regulatory Basis:		
Officials in Office and Surety Bonds		105
General Comments		107
Other Comments (Findings)		108
Recommendations		109
Acknowledgment		110
		(concluded)

\*\*\*\*\*

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

\*\*\*\*\*

*This page intentionally left blank*



HOLMAN | FRENIA  
ALLISON, P.C.  
*Certified Public Accountants & Consultants*

680 Hooper Avenue, Bldg B, Toms River, NJ 08753 • Tel: 732.797.1333  
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612  
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800  
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010

[www.hfacpas.com](http://www.hfacpas.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of Woolwich  
Woolwich, New Jersey 08085

### 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, County of Gloucester, State of New Jersey as of December 31, 2018 and 2017, 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, statements of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2018, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As discussed in Note 1 to the financial statements, the Township of Woolwich prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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 these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Woolwich, County of Gloucester, State of New Jersey, as of December 31, 2018, or the results of its operations and changes in fund balance for the year 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, 2018 and 2017, 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, 2018 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.

### **Emphasis of Matter**

#### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the year ended December 31, 2018 the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, & 74. Our opinion is not modified with respect to this matter.



## **Other Matters**

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and 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 is not a required part of the above financial statements.

Such information is 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.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2019, on our consideration of the Township of Woolwich'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 of Woolwich's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
CR #473

August 26, 2019  
Medford, New Jersey

*This page intentionally left blank*



HOLMAN | FRENIA  
ALLISON, P.C.

*Certified Public Accountants & Consultants*

680 Hooper Avenue, Bldg B, Toms River, NJ 08753 • Tel: 732.797.1333  
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612  
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800  
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010

[www.hfacpas.com](http://www.hfacpas.com)

**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  
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, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 26, 2019. 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 Nos. 2018-001 and 2018-005.

### **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 Nos. 2018-002, 2018-003 and 2018-004.

### **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  
August 26, 2019

**BASIC FINANCIAL STATEMENTS**

*This page intentionally left blank*

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Operating Fund:			
Cash:			
Treasurer	A-4	\$ 5,559,112.49	\$ 7,020,971.99
Investment - CRIM	A-4	1,077,036.93	1,048,068.76
Change Fund	A	<u>650.00</u>	<u>83.67</u>
 Total Cash		 <u>6,636,799.42</u>	 <u>8,069,124.42</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	585,120.13	432,799.11
Tax Title Liens Receivable	A-7	219,601.12	198,357.38
Revenue Accounts Receivable	A-8	8,980.76	13,775.84
Prepaid School Taxes	A-11	100.40	-
Due from Municipal Open Space	B	335,042.50	185,188.00
Due from Animal Control Trust	B	94.24	94.24
Due from Trust Fund	B	<u>81,029.88</u>	<u>93,795.90</u>
 Total Receivables		 <u>1,229,969.03</u>	 <u>924,010.47</u>
Deferred Charges:			
Emergency Authorization	A	<u>-</u>	<u>125,000.00</u>
 Total Deferred Charges		 <u>-</u>	 <u>125,000.00</u>
 Total Operating Fund Assets		 <u>7,866,768.45</u>	 <u>9,118,134.89</u>
Federal & State Grant Fund:			
Grants Receivable	A-13	308,946.70	311,496.70
Due from Capital Fund	C	127,500.00	127,500.00
Due from Current Fund	A	<u>74,644.57</u>	<u>63,044.44</u>
 Total Federal & State Grant Fund Assets		 <u>511,091.27</u>	 <u>502,041.14</u>
 Total Assets		 <u>\$ 8,377,859.72</u>	 <u>\$ 9,620,176.03</u>

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2018	2017
Current Fund:			
Appropriation Reserves	A-3	\$ 515,053.38	\$ 539,884.90
Reserve for Encumbrances	A-3	248,932.63	107,776.01
Prepaid Taxes	A-5	351,870.05	1,678,701.16
Accounts Payable	A-9	15,852.27	3,660.26
Tax Overpayments	A	48,617.03	62,226.29
Due County for Added & Omitted Taxes	A-12	99,234.38	115,130.12
Due Municipal Open Space Tax Fund	B	-	11,596.89
Local School Taxes Payable	A-10	2,776,955.47	2,604,985.49
Regional School Taxes Payable	A-11	-	0.10
Due to Federal and State Grant Fund	A	74,644.57	63,044.44
Due to General Capital Fund	C	77,190.13	113,587.90
Reserve for Master Plan	A	66,418.82	66,418.82
Due to State - Senior Citizen and Veterans Deductions	A	12,329.30	11,454.30
		<u>4,287,098.03</u>	<u>5,378,466.68</u>
Total Operating Liabilities			
Reserve for Receivables	A	1,229,969.03	924,010.47
Fund Balance	A-1	<u>2,349,701.39</u>	<u>2,815,657.74</u>
		<u>7,866,768.45</u>	<u>9,118,134.89</u>
Total Operating Fund			
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-14	485,113.41	465,272.00
Unappropriated Reserves	A-15	13,582.41	16,010.69
Encumbrances Payable	A-14	<u>12,395.45</u>	<u>20,758.45</u>
Total Federal & State Grant Fund		<u>511,091.27</u>	<u>502,041.14</u>
		<u>\$ 8,377,859.72</u>	<u>\$ 9,620,176.03</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, 2018 AND 2017**

	2018	2017
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,288,661.70	\$ 2,190,000.00
Miscellaneous Revenues Anticipated	1,657,391.80	1,683,509.69
Receipts From Delinquent Taxes	390,236.89	431,728.13
Receipts From Current Taxes	42,902,055.37	41,667,531.79
Nonbudget Revenues	612,657.63	462,872.16
Other Credits to Income:		
Other	-	232.58
Unexpended Balance of Appropriation Reserves	346,969.99	370,418.61
	<u>48,197,973.38</u>	<u>46,806,292.96</u>
Total Revenue & Other Income		
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,425,627.60	2,306,386.84
Other Expenses	3,546,742.42	3,386,297.00
Deferred Charges & Statutory Expenditures	796,110.44	726,739.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	651,841.71	677,175.50
Other Expenses	86,194.89	80,607.43
Municipal Debt Service	1,543,100.74	1,571,242.35
Deferred Charges	125,000.00	-
County Taxes	9,389,980.53	8,996,686.22
Local District School Tax	16,374,919.00	16,030,979.00
Regional High School Tax	10,729,506.00	10,333,009.00
Municipal Open Space	575,171.00	566,700.00
Municipal Open Space - Added Taxes	6,078.61	7,404.01
Senior & Vet Disallowed	2,500.00	-
Interfund Loans Advanced	122,495.09	160,554.25
	<u>46,375,268.03</u>	<u>44,843,780.60</u>
Total Expenditures		
Excess/(Deficit) in Revenue	1,822,705.35	1,962,512.36
Adjustments to Income before Fund Balance		
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Years	-	125,000.00
	<u>1,822,705.35</u>	<u>2,087,512.36</u>
Statutory Excess to Fund Balance		
Fund Balance - January 1	2,815,657.74	2,918,145.38
Total	4,638,363.09	5,005,657.74
Decreased by: Utilized as Anticipated Revenue	2,288,661.70	2,190,000.00
Fund Balance December 31	<u>\$ 2,349,701.39</u>	<u>\$ 2,815,657.74</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, 2018**

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,288,661.70	\$ -	\$ 2,288,661.70	\$ -
Miscellaneous Revenues:				
Municipal Court	165,376.00	-	152,124.03	(13,251.97)
Interest & Cost on Taxes	105,660.21	-	102,362.92	(3,297.29)
Energy Receipts Tax	392,674.00	-	392,674.00	-
Supplemental Energy Receipts Tax	22,135.00	-	22,135.00	-
Garden State Trust	5,939.00	-	5,939.00	-
Shared Service Agreements - Swedesboro:				
Recreation	16,125.00	-	13,650.00	(2,475.00)
Police Coverage and Protection	651,841.71	-	651,841.71	-
Reserve for Debt Service	73,250.00	-	73,250.00	-
Debt Service Contribution from Open Space	175,000.00	-	175,000.00	-
Additional Revenues Offset With Appropriations:				
Recycling Tonnage Grant	26,107.67	-	26,107.67	-
Clean Communities Program	-	21,509.48	21,509.48	-
Drunk Driving Enforcement Fund	3,080.00	-	3,080.00	-
Municipal Alliance on Alcoholism and Drug Abuse	6,619.00	-	6,619.00	-
Alcohol Education and Rehabilitation Grant	-	695.71	695.71	-
Body Armor Replacement Grant	2,428.28	-	2,428.28	-
Drive Sober or Get Pulled Over	-	2,475.00	2,475.00	-
Click It or Ticket Grant	-	2,200.00	2,200.00	-
Distracted Driving Grant	-	3,300.00	3,300.00	-
Total Miscellaneous	1,646,235.87	30,180.19	1,657,391.80	(19,024.26)
Receipts from Delinquent Taxes	424,831.43	-	390,236.89	(34,594.54)
Subtotal General Revenues	4,359,729.00	30,180.19	4,336,290.39	(53,618.80)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	6,062,342.00	-	7,104,033.23	1,041,691.23
Budget Totals	10,422,071.00	30,180.19	11,440,323.62	988,072.43
Nonbudget Revenues	-	-	612,657.63	612,657.63
Total	\$ 10,422,071.00	\$ 30,180.19	\$ 12,052,981.25	\$ 1,600,730.06

**ANALYSIS OF REALIZED REVENUE**

<b>Allocation of Current Tax Collections:</b>		
Revenue From Collections		\$ 42,902,055.37
Allocated to - School, County & Special District Taxes		<u>37,075,655.14</u>
Balance for Support of Municipal Budget Revenues		5,826,400.23
Add: Appropriation - "Reserve for Uncollected Taxes"		<u>1,277,633.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 7,104,033.23</u>
<b>Receipts From Delinquent Taxes:</b>		
Delinquent Tax Collections		\$ 385,848.88
Tax Title Lien Collections		<u>4,388.01</u>
Total Receipts From Delinquent Taxes		<u>\$ 390,236.89</u>
<b>Analysis of Nonbudget Revenue:</b>		
Treasurer:		
Licenses - Alcohol		\$ 6,150.00
Marriage Licenses		989.00
Junk Yard		2,400.66
Zoning Board Fees		49,165.00
Planning Board Fees		18,555.00
Street Opening Fees		5,900.00
Clerk Fees		1,510.76
Community Garden Plots		1,095.00
Kingsway Regional Reimbursements		41,568.00
Woolwich-Swedesboro Regional Reimbursements		29,071.32
Municipal Building Rentals		13,650.00
Vacant Property Registration		41,500.00
Prior Year Refund		18,880.00
Insurance Reimbursements		13,645.00
Cancellation of Old Outstanding Checks		34,728.72
Payment in Lieu of Taxes		99,905.69
Cable TV Franchise Fees		38,409.37
2% Senior & Vet Admin Fee		1,052.50
Interest on Investments		73,397.52
Other		<u>121,084.09</u>
Total Analysis of Nonbudget Revenue		<u>\$ 612,657.63</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, 2018**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
<b>General Government:</b>						
General Administration:						
Salaries and Wages	\$ 20,000.00	\$ 20,000.00	\$ 19,999.98	\$ -	\$ 0.02	\$ -
Other Expenses	5,500.00	5,500.00	4,364.18	-	1,135.82	-
Mayor and Committee:						
Salaries and Wages	30,500.00	30,500.00	30,500.00	-	-	-
Other Expenses	3,000.00	3,300.00	3,275.87	-	24.13	-
Municipal Clerk:						
Salaries and Wages	112,761.69	112,761.69	105,791.16	-	6,970.53	-
Other Expenses	16,700.00	17,700.00	17,520.49	114.41	65.10	-
Financial Administration (Treasury):						
Salaries and Wages	136,000.00	136,000.00	136,000.00	-	-	-
Other Expenses	56,800.00	56,600.00	42,287.86	5,495.85	8,816.29	-
Audit Services:						
Other Expenses	50,000.00	50,000.00	49,138.00	-	862.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	56,100.00	56,100.00	56,099.96	-	0.04	-
Other Expenses	8,000.00	8,250.00	8,198.82	50.00	1.18	-
Legal Services and Costs:						
Other Expenses	350,000.00	286,000.00	238,191.22	4,457.80	43,350.98	-
Engineering Services:						
Other Expenses	50,000.00	50,000.00	26,468.36	3,500.00	20,031.64	-
Economic Development Agencies:						
Other Expenses	1,000.00	1,000.00	984.94	-	15.06	-
<b>Land Use Administration:</b>						
Planning Board:						
Salaries and Wages	31,000.00	33,500.00	33,500.00	-	-	-
Other Expenses	60,000.00	72,500.00	60,774.13	8,191.50	3,534.37	-
Zoning Board of Adjustment:						
Salaries and Wages	63,760.50	63,760.50	63,760.50	-	-	-
Other Expenses	500.00	500.00	120.00	-	380.00	-
Office of Community Development:						
Salaries and Wages	76,937.56	76,937.56	76,937.56	-	-	-
Other Expenses	500.00	500.00	491.00	-	9.00	-
<b>Insurance:</b>						
General Liability	123,142.00	123,142.00	121,854.00	1,288.00	-	-
Workers' Compensation	209,004.00	209,004.00	208,029.81	-	974.19	-
Employee Group Health	584,849.68	616,849.68	608,923.69	2,486.49	5,439.50	-
Employee Health Insurance - Medical Waivert	12,500.00	-	-	-	-	-
Employee Health Insurance - Optional Cash Payment	100,000.00	56,500.00	28,546.59	-	27,953.41	-
<b>Public Safety Functions:</b>						
Police Department:						
Salaries and Wages	1,535,757.47	1,472,599.23	1,417,364.82	-	55,234.41	-
Other Expenses	81,500.00	141,658.24	49,087.86	69,669.28	22,901.10	-

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Office of Emergency Management:						
Salaries and Wages	5,000.00	5,000.00	4,807.75	-	192.25	-
Other Expenses	2,500.00	2,500.00	1,843.00	641.25	15.75	-
Aid to Volunteer Fire Company in Adjoining Municipality	90,000.00	90,000.00	59,850.10	29,609.86	540.04	-
Municipal Prosecutor:						
Salaries and Wages	18,583.62	18,583.62	18,583.55	-	0.07	-
<b>Public Works Functions:</b>						
Streets & Roads Maintenance:						
Other Expenses	50,785.50	33,285.50	16,645.55	9,945.13	6,694.82	-
Snow Removal:						
Salaries and Wages	10,000.00	10,000.00	-	-	10,000.00	-
Other Expenses	35,000.00	85,000.00	7,031.41	9,832.16	68,136.43	-
Solid Waste Collection:						
Other Expenses	577,258.00	642,258.00	529,540.63	51,217.05	61,500.32	-
Buildings & Grounds:						
Salaries and Wages	232,350.00	234,850.00	228,686.00	-	6,164.00	-
Other Expenses	75,500.00	79,500.00	73,635.86	5,710.60	153.54	-
Vehicle Maintenance:						
Other Expenses	52,500.00	38,000.00	22,557.03	4,954.05	10,488.92	-
<b>Health &amp; Human Services:</b>						
Public Health Services (Board of Health):						
Salaries and Wages	7,500.00	7,500.00	7,499.98	-	0.02	-
Other Expenses	300.00	300.00	113.90	-	186.10	-
Environmental Committee:						
Other Expenses	3,000.00	3,000.00	377.50	350.00	2,272.50	-
<b>Park &amp; Recreation Functions:</b>						
Recreation Services & Programs:						
Salaries and Wages	24,500.00	24,500.00	24,500.00	-	-	-
Other Expenses	9,000.00	9,000.00	9,000.00	-	-	-
Maintenance of Parks:						
Other Expenses	54,875.00	54,875.00	49,299.07	5,346.85	229.08	-
Celebration of Public Events:						
Other Expenses	1,500.00	1,500.00	737.77	389.22	373.01	-
<b>Utility Expenses &amp; Bulk Purchases:</b>						
Electricity	138,000.00	138,000.00	129,737.45	4,814.42	3,448.13	-
Street Lighting	63,000.00	61,500.00	50,274.02	94.99	11,130.99	-
Telephone	30,000.00	30,000.00	22,672.70	874.74	6,452.56	-
Water - Fire Hydrant	110,000.00	110,000.00	76,337.58	869.36	32,793.06	-
Gasoline	81,200.00	96,350.00	87,258.62	-	9,091.38	-
Heating	7,000.00	8,500.00	7,841.62	-	658.38	-
Cable TV & Internet	4,500.00	4,500.00	3,852.90	221.05	426.05	-
Salary Adjustment	7,500.00	7,500.00	7,208.42	-	291.58	-

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
<b>Landfill/Solid Waste Disposal Costs:</b>						
Other Expenses	371,000.00	341,000.00	265,263.89	28,542.57	47,193.54	-
<b>Municipal Court:</b>						
Salaries and Wages	104,435.00	105,935.00	105,046.59	-	888.41	-
Other Expenses	20,170.00	18,670.00	13,031.94	266.00	5,372.06	-
Public Defender:						
Salaries and Wages	9,600.00	9,600.00	6,975.00	-	2,625.00	-
<b>Total Operations Within "CAPS"</b>	<b>5,972,370.02</b>	<b>5,972,370.02</b>	<b>5,238,420.63</b>	<b>248,932.63</b>	<b>485,016.76</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	2,482,285.84	2,425,627.60	2,343,261.27	-	82,366.33	-
Other Expenses	3,490,084.18	3,546,742.42	2,895,159.36	248,932.63	402,650.43	-
<b>Deferred Charges &amp; Statutory Expenditures - Municipal Within "CAPS":</b>						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	228,607.44	228,607.44	223,947.11	-	4,660.33	-
Defined Contribution Retirement Program	750.00	750.00	485.19	-	264.81	-
Consolidated Police & Firemen's Pension	419,410.00	419,410.00	419,410.00	-	-	-
Public Employees Retirement System	147,343.00	147,343.00	147,342.02	-	0.98	-
<b>Total Deferred Charges &amp; Statutory Expenditures Within "CAPS"</b>	<b>796,110.44</b>	<b>796,110.44</b>	<b>791,184.32</b>	<b>-</b>	<b>4,926.12</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>6,768,480.46</b>	<b>6,768,480.46</b>	<b>6,029,604.95</b>	<b>248,932.63</b>	<b>489,942.88</b>	<b>-</b>
<b>Operations Excluded From "CAPS":</b>						
<b>Public &amp; Private Programs Offset by Revenues:</b>						
Recycling Tonnage Grant	26,107.67	26,107.67	26,107.67	-	-	-
Clean Communities Program	-	21,509.48	21,509.48	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - State	6,619.00	6,619.00	6,619.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - Local	1,654.75	1,654.75	1,654.75	-	-	-
Alcohol Education and Rehabilitation Grant	-	695.71	695.71	-	-	-
Distracted Driving Statewide Crackdown Grant	-	3,300.00	3,300.00	-	-	-
Body Armor Replacement Grant	2,428.28	2,428.28	2,428.28	-	-	-
Drive Sober or Get Pulled Over	-	2,475.00	2,475.00	-	-	-
Drunk Driving Enforcement Fund	3,080.00	3,080.00	3,080.00	-	-	-
Click It or Ticket Grant	-	2,200.00	2,200.00	-	-	-
<b>Interlocal Municipal Service Agreements:</b>						
Borough of Swedesboro:						
Recreation - Other Expenses	16,125.00	16,125.00	16,125.00	-	-	-
Police Coverage and Protection Salaries & Wages	651,841.71	651,841.71	626,731.21	-	25,110.50	-
<b>Total Operations Excluded from "CAPS"</b>	<b>707,856.41</b>	<b>738,036.60</b>	<b>712,926.10</b>	<b>-</b>	<b>25,110.50</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	651,841.71	651,841.71	626,731.21	-	25,110.50	-
Other Expenses	56,014.70	86,194.89	86,194.89	-	-	-

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
Interest on Bonds	508,900.00	508,900.00	508,900.00	-	-	-
Green Acres Trust Loan Program:						
Principal & Interest	34,200.75	34,200.75	34,200.74	-	-	0.01
<b>Total Municipal Debt Service Excluded From "CAPS"</b>	<b>1,543,100.75</b>	<b>1,543,100.75</b>	<b>1,543,100.74</b>	<b>-</b>	<b>-</b>	<b>0.01</b>
<b>Deferred Charges - Excluded from "CAPS":</b>						
Emergency Authorizations	125,000.00	125,000.00	125,000.00	-	-	-
<b>Total Deferred Charges - Municipal - Excluded from CAPS:</b>	<b>125,000.00</b>	<b>125,000.00</b>	<b>125,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Appropriations Excluded From "CAPS"</b>	<b>2,375,957.16</b>	<b>2,406,137.35</b>	<b>2,381,026.84</b>	<b>-</b>	<b>25,110.50</b>	<b>0.01</b>
Subtotal General Appropriations	9,144,437.62	9,174,617.81	8,410,631.79	248,932.63	515,053.38	0.01
Reserve For Uncollected Taxes	1,277,633.00	1,277,633.00	1,277,633.00	-	-	-
<b>Total General Appropriations</b>	<b>\$ 10,422,070.62</b>	<b>\$ 10,452,250.81</b>	<b>\$ 9,688,264.79</b>	<b>\$ 248,932.63</b>	<b>\$ 515,053.38</b>	<b>\$ 0.01</b>

Adopted Budget	\$ 10,422,070.62
Added by N.J.S.40A:4-87	30,180.19
<b>Total</b>	<b>\$ 10,452,250.81</b>

Federal & State Grants	\$ 70,069.89
Reserve for Uncollected Taxes	1,277,633.00
Refunds	(398,061.60)
Deferred Charges	125,000.00
Disbursed	8,613,623.50
<b>Total</b>	<b>\$ 9,688,264.79</b>

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, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Animal Control Fund:			
Cash	B-3	<u>\$ 6,586.44</u>	<u>\$ 7,893.07</u>
Total Animal Control Fund		<u>6,586.44</u>	<u>7,893.07</u>
Municipal Open Space Trust Fund			
Cash	B-3	873,801.71	667,059.03
Due from Current Fund	A	<u>-</u>	<u>11,596.89</u>
Total Municipal Open Space		<u>873,801.71</u>	<u>678,655.92</u>
Other Funds:			
Cash - Treasurer	B-3	1,570,388.02	1,748,442.38
Cash - Collector	B-4	108,959.09	241,009.09
Due from Capital Fund	C	100,000.00	-
Investment - CRIM	B-3	<u>800,000.00</u>	<u>800,000.00</u>
Total Other Funds		<u>2,579,347.11</u>	<u>2,789,451.47</u>
Total Assets		<u><u>\$ 3,459,735.26</u></u>	<u><u>\$ 3,476,000.46</u></u>

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

LIABILITIES, RESERVES & FUND BALANCE

Animal Control Fund:

Due Current Fund	A	\$ 94.24	\$ 94.24
Reserve for Animal Control Expenditures	B-5	6,492.20	7,798.83
Total Animal Control Fund		<u>6,586.44</u>	<u>7,893.07</u>

Municipal Open Space Trust Fund:

Due to General Capital Fund	C	-	204,356.64
Due to Current Fund	A	335,042.50	185,188.00
Reserve for Encumbrances	B-2	185,996.73	-
Reserve for Open Space	B-8	148,405.84	289,111.28
Total Municipal Open Space Trust Fund		<u>669,445.07</u>	<u>678,655.92</u>

Other Funds:

Due to Current Fund	A	81,029.88	93,795.90
Deposits for Redemption of Tax Title Liens	B-6	9,936.71	9,886.71
Tax Sale Premiums	B-7	99,022.38	231,122.38
Due to State of NJ - DCA Training Fees	B	4,609.00	6,649.00
Reserves for:			
Public Defender	B-9	3,351.26	2,751.26
Payroll Deductions Payable	B-9	13,709.56	20,602.98
Site Plan Review Escrow	B-9	774,150.38	737,678.90
Municipal Functions Developers Fees	B-9	35,677.96	152,219.93
Police Overtime	B-9	65,964.31	28,082.08
UCC Trust	B-9	687,720.71	688,416.41
P.O.A.A. - Parking Fines	B-9	548.61	524.61
Police Forfeited Funds	B-9	4,490.19	4,400.29
Open Space - Municipal Maintenance	B-9	241.01	6,490.09
Developers Tree Compensation	B-9	324,196.25	324,011.44
Snow Removal	B-9	3,210.18	19,738.20
Developers Recreation Fees	B-9	112,071.51	113,828.88
COAH Fees	B-9	333,357.11	322,506.78
Election	B-9	850.00	250.00
Woolwich Recreation Trust	B-9	21,591.05	24,060.37
Unemployment Trust	B-9	3,619.05	2,435.26
Total Other Funds		<u>2,579,347.11</u>	<u>2,789,451.47</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 3,255,378.62</u>	<u>\$ 3,476,000.46</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, 2018**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 575,171.00	\$ 581,249.61	\$ 6,078.61
For Future Use	435,138.00	22,087.00	(413,051.00)
Miscellaneous - Interest	-	1,201.56	1,201.56
Total	\$ 1,010,309.00	\$ 604,538.17	\$ (405,770.83)
	Cash Receipts	\$ 590,989.56	
	Due from Current	13,548.61	
		<u>\$ 604,538.17</u>	
		<u><u>\$ 604,538.17</u></u>	

**ANALYSIS OF REALIZED REVENUE**

**Amount to be Raised by Taxation:**

Current Year Levy	\$ 575,171.00
Added/Omitted Levy	<u>6,078.61</u>
	<u><u>\$ 581,249.61</u></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, 2018**

OPERATIONS	APPROPRIATIONS				EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	CANCELLED	
Development of Lands for Recreation & Conservation:							
Salaries and Wages	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ -	\$ -	\$ -	-
Other Expenses	300,000.00	300,000.00	113,630.65	185,996.73	-	-	-
Debt Service:							
Payment of Bond Principal	150,000.00	150,000.00	150,000.00	-	-	-	-
Interest on Bonds	25,000.00	25,000.00	25,000.00	-	-	-	-
Reserve for Future Use	385,309.00	385,309.00	120,616.23	-	264,692.77	-	-
<b>Total</b>	<b>\$ 1,010,309.00</b>	<b>\$ 1,010,309.00</b>	<b>\$ 559,246.88</b>	<b>\$ 185,996.73</b>	<b>\$ 264,692.77</b>	<b>\$ -</b>	<b>-</b>
			Cash Disbursements	\$ 384,246.88			
			Due to Current Fund	175,000.00			
				<u>\$ 559,246.88</u>			

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, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Cash & Cash Equivalents	C-2	\$ 986.20	\$ 1,206,770.39
Investment - CRIM	C-2	90,000.00	90,000.00
State Aid Receivable	C-11	363,156.12	400,008.35
Due From Current Fund	A	77,190.13	113,587.90
Due from Municipal Open Space Trust	B	204,356.64	204,356.64
Deferred Charges to Future Taxation:			
Funded	C-4	15,124,419.43	16,153,889.01
Unfunded	C-5	<u>20,400,000.00</u>	<u>15,400,000.00</u>
 Total Assets		 <u><u>\$ 36,260,108.52</u></u>	 <u><u>\$ 33,568,612.29</u></u>
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bond	C-8	\$ 14,910,000.00	\$ 15,910,000.00
Green Acres Loan Payable	C-9	214,419.43	243,889.01
Due to Grant Fund	A	127,500.00	127,500.00
Due to Trust Fund	B	100,000.00	-
Capital Improvement Fund	C-6	54,483.35	179,483.35
Improvement Authorizations:			
Funded	C-7	412,644.04	528,864.89
Unfunded	C-7	4,723,623.41	14,405,800.00
Reserve for Encumbrances	C-7	15,434,212.46	1,419,599.21
Reserve for Developers Deposits	C	173,465.05	173,465.05
Reserve To Pay Debt Service - Bonds	C	88,588.65	161,838.65
Fund Balance	C-1	<u>21,172.13</u>	<u>418,172.13</u>
 Total Liabilities, Reserves & Fund Balance		 <u><u>\$ 36,260,108.52</u></u>	 <u><u>\$ 33,568,612.29</u></u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$20,400,000 and on December 31, 2017 of \$15,400,000.

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, 2018 AND 2017**

ASSETS	2018	2017
Land and Buildings	\$ 11,609,300.00	\$ 11,609,300.00
Other Improvements	84,900.00	84,900.00
Machinery and Equipment	<u>3,249,086.00</u>	<u>3,185,152.00</u>
 Total	 <u>\$ 14,943,286.00</u>	 <u>\$ 14,879,352.00</u>
 <b>FUND BALANCE</b>		
 Investment in Fixed Assets	 <u>\$ 14,943,286.00</u>	 <u>\$ 14,879,352.00</u>

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

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

\*\*\*\*\*

*This page intentionally left blank*

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Township of Woolwich, County of Gloucester, New Jersey ("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. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards. Complete financial statements of the above entities can be obtained by contacting their Treasurer.

**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 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** – The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

**General Capital Fund** – The General Capital 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 accounts for all assets used in government operations.

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**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 10<sup>th</sup> 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. Investments are stated at market value. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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, 2018**

**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 balance sheets 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 estimated fair market value on the acquisition date. 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. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Foreclosed property** – Foreclosed Property 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. The balance of the receivable was zero for 2018 and 2017.

**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, 2018**

**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 Swedesboro-Woolwich Township School District and Kingsway Regional High School District. 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 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

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

**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 principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**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 are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and 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 and Post-employment Benefits** – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts 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 their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township’s financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

**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 fund owned by the Board 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.

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2. Deposits and Investments (continued):**

As of December 31, 2018, the Township's bank balance of \$8,574,292.83 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 6,443,356.79
Uninsured and Uncollateralized	<u>2,130,936.04</u>
	<u><u>\$ 8,574,292.83</u></u>

**Investments**

At December 31, 2018, the Township had the following investments and maturities:

<u>Investment type</u>	Carrying Value	Fair Value as of December 31, 2018		Investment Maturities (in Years)	
		<u>Level 1</u>	<u>Total</u>	Less Than <u>1 Year</u>	<u>1-5 Years</u>
Certificates of Deposit	<u>\$ 1,967,036.93</u>	<u>\$ 1,967,036.93</u>	<u>\$ 1,967,036.93</u>	<u>\$ 1,537,036.93</u>	<u>\$ 430,000.00</u>
	<u>\$ 1,967,036.93</u>	<u>\$ 1,967,036.93</u>	<u>\$ 1,967,036.93</u>	<u>\$ 1,537,036.93</u>	<u>\$ 430,000.00</u>
<u>Fund</u>					
Current Fund	\$ 1,077,036.93	\$ 1,077,036.93	\$ 1,077,036.93	\$ 647,036.93	\$ 430,000.00
Capital Fund	90,000.00	90,000.00	90,000.00	90,000.00	-
Trust Fund - Other	<u>800,000.00</u>	<u>800,000.00</u>	<u>800,000.00</u>	<u>800,000.00</u>	<u>-</u>
	<u>\$ 1,967,036.93</u>	<u>\$ 1,967,036.93</u>	<u>\$ 1,967,036.93</u>	<u>\$ 1,537,036.93</u>	<u>\$ 430,000.00</u>

**Fair Value Measurement** - The Township categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. 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.

All of the Township's investments described above are classified in Level 1 and are valued using prices quoted in active markets for those securities. The Township does not hold any investments that are measured using Level 2 and Level 3 inputs

**Custodial credit risk** - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Township does not have custodial credit risk policies for investments.

**Interest rate risk** - This is the risk that changes in market 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. 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, 2018**

**Note 2. Deposits and Investments (continued):**

Credit risk - Generally, credit risk is the risk that an issuer of a debt type 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 - The Township places no limit in the amount the Township may invest in any one issuer

**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>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 3.741</u>	<u>\$ 3.668</u>	<u>\$ 3.632</u>
Apportionment of Tax Rate:			
Municipal	0.527	0.507	0.508
Municipal Open Space	0.049	0.050	0.050
County General	0.810	0.785	0.768
Local School	1.423	1.415	1.423
Regional School	0.932	0.911	0.883

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2018	\$ 1,150,342,410.00
2017	1,133,399,244.00
2016	1,122,915,247.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2018	\$ 43,505,864.81	\$ 42,902,055.37	98.61%
2017	42,121,133.56	41,667,531.79	98.92%
2016	41,102,034.54	40,485,057.57	98.49%

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**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>
2018	\$ 219,601.12	\$ 585,120.13	\$ 804,721.25	1.85%
2017	198,357.38	432,799.11	631,156.49	1.50%
2016	134,729.98	491,706.06	626,436.04	1.52%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2018	9
2017	11
2016	13

**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, 2018, 2017 or 2016.

**Note 5. Fund Balances Appropriated**

The following schedule details the amount of fund balances available at the end of the current year and two 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>
<b>Current Fund:</b>			
2018	\$ 2,349,701.39	\$ 1,870,000.00	79.58%
2017	2,815,657.74	2,288,662.00	81.28%
2016	2,918,145.38	2,190,000.00	75.05%

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at December 31, 2018 are as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 416,166.62	\$ 151,834.70
State and Federal Grant Fund	202,144.57	-
Animal Control Trust	-	94.24
Municipal Open Space Trust	-	539,399.14
Trust Other Fund	100,000.00	81,029.88
Capital Fund	<u>281,546.77</u>	<u>227,500.00</u>
	<u>\$ 999,857.96</u>	<u>\$ 999,857.96</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:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ 27,015.48	\$ 4,304.08
State and Federal Grant Fund	-	9,945.38
Trust Other Fund	4,304.08	117,070.10
General Capital Fund	<u>100,000.00</u>	<u>-</u>
	<u>\$ 131,319.56</u>	<u>\$ 131,319.56</u>

The purpose of the interfund transfers were for short term borrowings.

**Note 7. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2018.

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2018</u>
Land and Buildings	\$ 11,609,300.00	\$ -	\$ -	\$ 11,609,300.00
Other Improvements	84,900.00	-	-	84,900.00
Machinery & Equipment	<u>3,185,152.00</u>	186,104.00	(122,170.00)	<u>3,249,086.00</u>
	<u>\$ 14,879,352.00</u>	<u>\$ 186,104.00</u>	<u>\$ (122,170.00)</u>	<u>\$ 14,943,286.00</u>

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. 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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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.

**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 2018, the State's pension contribution was less than the actuarial determined amount. The local



**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS)**

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, 2018, the Township's contractually required contribution to PERS plan was \$172,779.

**Components of Net Pension Liability** - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$3,420,138. The net pension liability was measured as of June 30, 2018. 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, 2017, which was rolled forward to June 30, 2018. 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, 2018. The Township's proportion measured as of June 30, 2018, was .0173703600% which was an increase of .0017231165% from its proportion measured as of June 30, 2017.

**Collective Balances at December 31, 2018 and December 31, 2017**

	<u>12/31/2018</u>	<u>12/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 1,075,695	\$ 1,045,674
Deferred Inflows of Resources	1,388,806	1,060,764
Net Pension Liability	3,420,138	3,642,428
 Township's portion of the Plan's total net pension Liability	 0.01737%	 0.01565%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2018, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2018 measurement date is \$248,511. 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 \$172,779 to the plan in 2018.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS)**

	<b>Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 65,223	\$ 17,635
Changes of Assumptions	563,582	1,093,578
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	32,081
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	446,890	245,512
	\$ 1,075,695	\$ 1,388,806

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, 2018**

**Note 8. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS)**

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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	-
June 30, 2018	5.63	-
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
June 30, 2018	-	5.63
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	-
June 30, 2018	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
June 30, 2018	5.63	5.63

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. 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:

<b>Year Ending <u>Dec 31,</u></b>	<b><u>Amount</u></b>
2019	\$ 30,486
2020	8,898.00
2021	(109,761.00)
2022	(225,609.00)
2023	<u>(17,124.00)</u>
	<u><u>\$ (313,110)</u></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

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS)**

retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2012 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, 2017 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, 2018) 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, 2018 are summarized in the following table:

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 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 (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS)**

	<b>1% Decrease <u>(4.66%)</u></b>	<b>Current Discount Rate <u>(5.66%)</u></b>	<b>1% Increase <u>(6.66%)</u></b>
Township's Proportionate Share of the Net Pension Liability	\$ 4,300,429	\$ 3,420,138	\$ 2,681,629

**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

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

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

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

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 2018, 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, 2018, the Township's contractually required contributions to PFRS plan was \$485,944.

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

**Net Pension Liability and Pension Expense** - At December 31, 2018 the Township's proportionate share of the PFRS net pension liability was \$6,725,967. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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, 2018. The Township's proportion measured as of June 30, 2018, was .0497054494%, which was an increase of .0023154773% from its proportion measured as of June 30, 2017.

**Collective Balances at December 31, 2018 and December 31, 2017**

	<u>12/31/2018</u>	<u>12/31/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 1,452,969	\$ 1,800,913
Deferred Inflows of Resources	1,837,398	1,332,018
Net Pension Liability	6,725,967	7,316,095
Township's portion of the Plan's total net pension Liability	0.04971%	0.04739%

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2018, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2018 measurement date was \$749,133. 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 \$485,944 to the plan in 2018.



**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

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

At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 68,428	\$ 27,834
Changes of Assumptions	577,334	1,723,749
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	36,797
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	807,207	49,018
	\$ 1,452,969	\$ 1,837,398

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

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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	-
June 30, 2018	5.73	-
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
June 30, 2018	-	5.73
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	-
June 30, 2018	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
June 30, 2018	5.73	5.73

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. 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:

<b>Year Ending</b>	
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2019	\$ 307,961
2020	104,246.00
2021	(191,035.00)
2022	(498,331.00)
2023	<u>(107,271.00)</u>
	<u>\$ (384,430)</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 \$913,611 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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, 2018 was .0497054494%, which was an increase of .0023154773% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, 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	\$ 6,725,967
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>913,611</u>
	<u>\$ 7,639,578</u>

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Pension Obligations (continued)**

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

At December 31, 2018, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$108,216.

**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 2012 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 2012 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, 2017 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, 2018) 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, 2018**

**Note 8. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 6.51% as of June 30, 2018. 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 3.87% as of June 30, 2018 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, 2018**

**Note 8. 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 (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	1% Decrease <u>(5.51%)</u>	Current Discount Rate <u>(6.51%)</u>	1% Increase <u>(7.51%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 9,001,872	\$ 6,725,967	\$ 4,835,631
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,222,755</u>	<u>913,611</u>	<u>656,840</u>
	<u>\$ 10,224,627</u>	<u>\$ 7,639,578</u>	<u>\$ 5,492,471</u>

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

**Note 9. Postemployment Benefits Other Than Pensions**

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Postemployment Benefits Other Than Pensions (continued):**

retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2018 were \$6,338,578,586 and \$9,642,524,641, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Postemployment Benefits Other Than Pensions (continued):**

**Special Funding Situation**

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$5,466,878.00 as of December 31, 2018. The OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2018 was 0.087979%, which was an increase of 0.12534% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Township	\$ 5,466,878.00

At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$165,489.00.



**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Capital 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>2018</u>	<u>2017</u>	<u>2016</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 15,124,419.43	\$ 16,153,889.01	\$ 18,987,777.93
	<hr/>	<hr/>	<hr/>
Total Debt Issued	15,124,419.43	16,153,889.01	18,987,777.93
	<hr/>	<hr/>	<hr/>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	20,400,000.00	15,400,000.00	-
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	20,400,000.00	15,400,000.00	-
	<hr/>	<hr/>	<hr/>
<b>Total Gross Debt</b>	<b>\$ 35,524,419.43</b>	<b>\$ 31,553,889.01</b>	<b>\$ 18,987,777.93</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Deductions:</b>			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	88,588.65	161,838.65	161,838.65
Capital Lease secured by GCIA	-	-	8,730,000.00
	<hr/>	<hr/>	<hr/>
Total Deductions	88,588.65	161,838.65	8,891,838.65
	<hr/>	<hr/>	<hr/>
<b>Total Net Debt</b>	<b>\$ 35,435,830.78</b>	<b>\$ 31,392,050.36</b>	<b>\$ 10,095,939.28</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Capital Debt (continued):**

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	\$ 45,072,146.38	\$ 45,072,146.38	\$ -
General Debt	35,524,419.43	88,588.65	35,435,830.78
	<u>\$ 80,596,565.81</u>	<u>\$ 45,160,735.03</u>	<u>\$ 35,435,830.78</u>

The Township's statutory net debt is the Net Debt, as calculated above of \$35,435,830.78, divided by the average Equalized Valuation Basis of \$1,261,945,116, which equals a statutory net debt at December 31, 2018 in the amount of 2.808%. 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, 2018 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 44,168,079.06
Net Debt	<u>35,435,830.78</u>
Remaining Borrowing Power	<u><u>\$ 8,732,248.28</u></u>

**General Debt**

**A. Serial Bonds Payable**

On April 15, 2015, the Township issued \$5,260,000.00 of General Obligation Refunding 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 \$6,535,000.00 of Refunding Bonds to refund the callable portion of the outstanding \$8,730,000.00 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.

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Capital Debt (continued):**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,145,000.00	344,600.00	1,489,600.00
2024-2028	4,765,000.00	1,157,337.50	5,922,337.50
2029-2033	3,750,000.00	445,475.00	4,195,475.00
2034-2036	975,000.00	58,500.00	1,033,500.00
	<u>\$ 14,910,000.00</u>	<u>\$ 3,739,512.50</u>	<u>\$ 18,649,512.50</u>

**B. 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 in the improvements to Locke Avenue Park and Park Expansion.

Schedule of Annual Debt Service for Principal and Interest for Green Trust Program Loans Outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	23,084.91	1,788.37	24,873.28
2024-2027	72,076.25	2,544.01	74,620.26
	<u>\$ 214,419.43</u>	<u>\$ 17,213.20</u>	<u>\$ 231,632.63</u>

**C. General Debt - Bonds and Notes Authorized But Not Issued**

As of December 31, 2018, the Township had \$20,400,000.00 in General Capital bonds and notes authorized but not issued.

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Capital Debt (continued):**

**Summary of Principal Debt**

A summary of the activity of the Township's principal debt is as follows:

	Balance December 31, <u>2017</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2018</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 15,910,000.00	\$ -	\$ 1,000,000.00	\$ 14,910,000.00	\$ 1,015,000.00
Loans	243,889.01	-	29,469.58	214,419.43	30,061.92
Authorized but Not Issued	15,400,000.00	5,000,000.00	-	20,400,000.00	-
	<u>\$ 31,553,889.01</u>	<u>\$ 5,000,000.00</u>	<u>\$ 1,029,469.58</u>	<u>\$ 35,524,419.43</u>	<u>\$ 1,045,061.92</u>

**Note 11. 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.

**Note 12. 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. The current cost of such unpaid compensation is \$144,132.97 at December 31, 2018.

**Note 13. 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>2018</u>	<u>2017</u>
Total Balance of Local Tax	\$ 8,187,459.79	\$ 8,015,489.81
Deferred Taxes	<u>5,410,504.32</u>	<u>5,410,504.32</u>
Local Tax Payable	<u>\$ 2,776,955.47</u>	<u>\$ 2,604,985.49</u>

**TOWNSHIP OF WOOLWICH  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 14. 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, 2018, which can be obtained from:

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

**New Jersey Unemployment Compensation Insurance**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 5,000.00	\$ 2.07	\$ 3,818.28	\$ 3,619.05
2017	-	9.46	5,553.42	2,435.26
2016	10,000.00	2.97	5,281.91	7,979.22

**TOWNSHIP OF WOOLWICH**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 15. 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, 2018 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, 2018.

**Note 16. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2018 and August 26, 2019, the date the financial statements were available to be issued and has noted the following:

During June of 2019, The Township approved new bond anticipation notes in the amount of \$6,500,000.

**SUPPLEMENTARY EXHIBITS**

*This page intentionally left blank*



**CURRENT FUND**

*This page intentionally left blank*

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	CURRENT FUND	STATE & FEDERAL GRANT FUND
Balance December 31, 2017	\$ 8,069,040.75	\$ -
Increased by Receipts:		
Taxes Collector	\$ 42,157,794.55	-
Revenue Accounts Receivable	1,238,363.74	-
Miscellaneous Revenue Not Anticipated	612,657.63	-
Refunds of Current Year Appropriations	398,061.60	-
Due to Trust Other	17,070.10	-
Due to State & Federal Grant Fund	9,945.38	-
Due to General Capital Fund	36,852.23	-
Federal & State Grants Receivable	-	68,536.86
	44,470,745.23	68,536.86
Total Receipts	44,470,745.23	68,536.86
Subtotal	52,539,785.98	68,536.86
Decreased by Disbursements:		
2018 Appropriations	8,613,623.50	-
Appropriation Reserves	177,062.64	-
Encumbrances Payable	107,776.01	-
County Taxes Payable	9,290,746.15	-
Due County for Added & Omitted Taxes	115,130.12	-
Local District School Tax	16,202,949.02	-
Regional High School Tax	10,729,606.50	-
Municipal Open Space Tax	575,171.00	-
Accounts Payable	13,342.23	-
Tax Overpayments	72,875.31	-
Due from Trust Other	4,304.08	-
Due to State - Marriage Licenses	1,050.00	-
Interfund Disbursement - Grant	-	9,945.38
Federal & State Grants - Appropriated	-	58,591.48
	45,903,636.56	68,536.86
Total Disbursements	45,903,636.56	68,536.86
Balance December 31, 2018	\$ 6,636,149.42	\$ -
Cash	\$ 5,559,112.49	
Investments	1,077,036.93	
Total	\$ 6,636,149.42	

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2018**

Balance - December 31, 2017		\$ -
Increased by:		
Interest and Cost on Taxes	\$ 102,362.92	
Taxes Receivable	41,648,298.57	
Tax Title Lien Redemptions	4,388.01	
Senior & Vet Receipts	50,875.00	
Prepaid Taxes	<u>351,870.05</u>	
		<u>42,157,794.55</u>
		42,157,794.55
Decreased by:		
Remitted to Treasurer	<u>42,157,794.55</u>	
		<u>42,157,794.55</u>
Balance - December 31, 2018		<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, 2018**

YEAR	BALANCE DECEMBER 31, 2017	2018 LEVY	ADDED TAXES	COLLECTED 2017	COLLECTED 2018	SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	TRANSFERRED TO ARREARS	BALANCE DECEMBER 31, 2018
2012	\$ 327.49		\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ (327.49)	\$ -
2013	0.07		-	-	-	-	-	-	-	-	(0.07)	-
2015	8,776.68		-	-	-	-	-	-	-	-	(8,776.68)	-
2016	8,981.94		-	-	40,482.01	-	40.18	31,538.98	(1.27)	-	-	-
2017	380,320.20		-	-	383,769.32	(2,500.00)	51,547.93	58,451.58	3,294.14	-	(2,660.39)	-
ARREARS	34,392.73		-	-	-	-	-	-	-	-	11,764.63	46,157.36
Total	432,799.11		460,508.25	1,678,701.16	424,251.33	(2,500.00)	51,588.11	89,990.56	3,292.87	-	-	46,157.36
2018	-	43,045,356.56	460,508.25	1,678,701.16	41,224,047.24	52,500.00	60,876.21	114,069.24	39,556.85	25,289.82	-	538,962.77
Total	\$ 432,799.11	\$ 43,045,356.56	\$ 460,508.25	\$ 1,678,701.16	\$ 41,648,298.57	\$ 50,000.00	\$ 112,464.32	\$ 204,059.80	\$ 42,849.72	\$ 25,289.82	\$ -	\$ 585,120.13

**ANALYSIS OF 2018 PROPERTY TAX LEVY:**

<b>Tax Yield:</b>	
General Property Tax	\$ 43,045,356.56
Added Taxes (54:4-63.1 et. seq.)	460,508.25
	<u>\$ 43,505,864.81</u>

Total Tax Yield

Total Tax Yield

**Tax Levy:**

Local School District Tax (Abstract)	\$ 16,374,919.00
Regional High School Tax (Abstract)	10,729,506.00
Municipal Open Space (Abstract)	575,171.00
Municipal Open Space (Added)	6,078.61
County Taxes:	
County Tax (Abstract)	\$ 8,179,201.18
County Library Tax (Abstract)	599,988.68
County Open Space	511,354.70
Due County for Added Taxes (54:4-63.1 et.seq.)	<u>99,435.97</u>

Total County Taxes

Local Tax for Municipal Purposes	6,062,342.00
Add: Additional Tax Levied	<u>6,430,209.67</u>

Total Tax Levy

\$ 43,505,864.81

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$ 198,357.38
Increased by:		
Transfers from Taxes Receivable	\$ 25,289.82	
Interest & Costs Accrued by Sale	341.93	25,631.75
		<hr/>
Subtotal		223,989.13
Decreased by:		
Collections		4,388.01
		<hr/>
Balance December 31, 2018		<u><u>\$ 219,601.12</u></u>

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	ACCRUED IN 2018	TREASURER	BALANCE DECEMBER 31, 2018
Miscellaneous Revenue Anticipated:				
Municipal Court	\$ 13,775.84	\$ 147,328.95	\$ 152,124.03	\$ 8,980.76
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	-	651,841.71	651,841.71	-
Recreation	-	13,650.00	13,650.00	-
	<hr/>			
Total	<u>\$ 13,775.84</u>	<u>\$ 1,233,568.66</u>	<u>\$ 1,238,363.74</u>	<u>\$ 8,980.76</u>
			<u>\$ 1,238,363.74</u>	
			<u>\$ 1,238,363.74</u>	

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF 2017 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<b>General Government:</b>				
General Administration:				
Other Expenses	910.41	910.41	171.86	738.55
Municipal Clerk:				
Other Expenses	1,519.82	1,519.82	651.71	868.11
Financial Administration (Treasury):				
Other Expenses	4,536.51	4,536.51	4,114.16	422.35
Legal Services (Legal Department):				
Other Expenses	53,966.97	53,966.97	11,828.91	42,138.06
Economic Development Agencies:				
Other Expenses	491.03	491.03	105.48	385.55
<b>Land Use Administration:</b>				
Planning Board:				
Other Expenses	5,874.59	5,874.59	5,874.59	-
<b>Insurance:</b>				
Workmen's Compensation Insurance	5,335.00	5,335.00	1,097.76	4,237.24
Health Benefit Waiver	55,238.08	55,238.08	2,117.27	53,120.81
<b>Public Safety Functions:</b>				
Police Department:				
Salaries and Wages	72,211.16	59,999.36	6,464.58	53,534.78
Other Expenses	37,982.24	37,982.24	25,241.96	12,740.28
Aid to Volunteer Fire Company:				
Other Expenses	11,373.71	15,206.69	15,206.69	-
Municipal Court:				
Other Expenses	5,991.39	5,991.39	693.26	5,298.13
<b>Public Works Functions:</b>				
Snow Removal:				
Salaries and Wages	10,000.00	10,000.00	10,000.00	-
Other Expenses	33,167.30	33,167.30	32,587.70	579.60
Solid Waste Sanitation:				
Other Expenses	15,922.83	24,301.65	24,301.65	-
Streets & Road Maintenance:				
Other Expenses	26,910.33	26,910.33	18,207.28	8,703.05
Buildings & Grounds:				
Other Expenses	12,385.64	12,385.64	9,075.75	3,309.89
Vehicle Maintenance:				
Other Expenses	44,977.73	44,977.73	38,862.53	6,115.20
<b>Health &amp; Human Services:</b>				
Board of Health:				
Other Expenses	888.72	888.72	73.50	815.22
Environmental Committee:				
Other Expenses	2,337.00	2,337.00	1,962.00	375.00
<b>Park &amp; Recreation Functions:</b>				
Maintenance of Parks:				
Other Expenses	4,401.80	4,401.80	1,054.12	3,347.68
<b>Utility Expenses &amp; Bulk Purchases:</b>				
Electricity	14,937.88	14,937.88	10,655.09	4,282.79
Street Lighting	14,453.72	14,453.72	13,328.01	1,125.71
Telephone	2,263.54	2,263.54	914.40	1,349.14
Water/Fire Hydrant Service	25,991.22	25,991.22	25,430.10	561.12
Heating	2,501.78	2,501.78	1,229.78	1,272.00
<b>Landfill/Solid Waste Disposal Costs:</b>				
Sanitary Landfill	87,467.66	87,467.66	36,346.09	51,121.57
<b>Interlocal Service Agreements - Swedesboro:</b>				
Recreation	3,132.73	3,132.73	3,083.95	48.78
<b>Deferred Charges &amp; Statutory Expenditures:</b>				
Defined Contribution Retirement Program	1,001.54	1,001.54	10.74	990.80
All Others	89,488.58	89,488.58	-	89,488.58
<b>Total</b>	<b>647,660.91</b>	<b>647,660.91</b>	<b>300,690.92</b>	<b>346,969.99</b>
2017 Appropriation Reserves	\$ 539,884.90	Cash	\$ 284,838.65	
2017 Encumbrances	107,776.01	Accounts Payable	15,852.27	
<b>Total</b>	<b>\$ 647,660.91</b>	<b>Total</b>	<b>\$ 300,690.92</b>	



**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT TAX  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017:		
School Tax Deferred	\$ 5,410,504.32	
School Tax Payable	<u>2,604,985.49</u>	8,015,489.81
Increased by Levy:		
School Year July 1, 2018 - June 30, 2019		<u>16,374,919.00</u>
Subtotal		24,390,408.81
Decreased by:		
Payments		<u>16,202,949.02</u>
Subtotal		8,187,459.79
Balance December 31, 2018:		
School Tax Deferred	5,410,504.32	
School Tax Payable	<u>2,776,955.47</u>	
Balance December 31, 2018		<u><u>\$ 8,187,459.79</u></u>

**ANALYSIS OF AMOUNT CHARGED TO OPERATIONS**

2018 Payments	\$ 16,202,949.02
Less School Taxes Payable at December 31, 2017	2,604,985.49
Plus School Taxes Payable at December 31, 2018	<u>2,776,955.47</u>
Amount Charged to 2018 Operations	<u><u>\$ 16,374,919.00</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 0.10
Increased by:	
Levy - Calendar Year	<u>10,729,506.00</u>
Subtotal	10,729,506.10
Decreased by:	
Payments	<u>10,729,606.50</u>
Balance December 31, 2018	<u><u>\$ (100.40)</u></u>

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$	115,130.12
Increased by:			
General County Taxes	\$	8,179,201.18	
County Library Taxes		599,988.68	
County Open Space Preservation		511,354.70	
County Added & Omitted Taxes		99,435.97	9,389,980.53
			<hr/>
Subtotal			9,505,110.65
Decreased by:			
Payments			<hr/> 9,405,876.27
			<hr/>
Balance, December 31, 2018		\$	<u><u>99,234.38</u></u>

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
**SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

GRANT	BALANCE DECEMBER 31, 2017	ANTICIPATED REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2018
<b>State Grants:</b>					
Municipal Alliance for Drug and Alcohol Abuse	\$ 13,635.20	\$ 6,619.00	\$ 6,619.00	-	\$ 13,635.20
Body Armor Grant	515.56	2,428.28	-	2,428.28	515.56
Sustainable Jersey Small Grant	12,862.85	-	2,000.00	-	10,862.85
Recycling Tonnage Grant	-	26,107.67	26,107.67	-	-
Alcohol Education and Rehabilitation Grant	-	695.71	695.71	-	-
Clean Communities Program	1,159.63	21,509.48	21,509.48	-	1,159.63
Drive Sober or Get Pulled Over	-	2,475.00	2,475.00	-	-
DVRPC - Master Plan	25,370.66	-	-	-	25,370.66
NJ Department of Transportation - Bikeways	170,000.00	-	-	-	170,000.00
NJ Department of Transportation - Shared Use Path	66,547.00	-	-	-	66,547.00
<b>Federal Grants:</b>					
Drunk Driving Enforcement Grant	2,166.60	3,080.00	3,630.00	-	1,616.60
Distracted Driving Grant	-	3,300.00	3,300.00	-	-
Click It or Ticket Grant	-	2,200.00	2,200.00	-	-
CDBG	13,239.20	-	-	-	13,239.20
<b>Local Grants:</b>					
NJDEP - Recreation Trails Program - local match	6,000.00	-	-	-	6,000.00
<b>Total</b>	<b>\$ 311,496.70</b>	<b>\$ 68,415.14</b>	<b>\$ 68,536.86</b>	<b>\$ 2,428.28</b>	<b>\$ 308,946.70</b>

Cash Receipts

Total

\$ 68,536.86

\$ 68,536.86

**TOWNSHIP OF WOOLWICH  
CURRENT FUND  
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

APPROPRIATION	BALANCE DECEMBER 31, 2017	2018 BUDGET APPROPRIATION	ENCUMBRANCES RECLASSIFIED	EXPENDED	ENCUMBRANCES	BALANCE DECEMBER 31, 2018
<b>State Grants:</b>						
Recycling Tonnage Grant	\$ 19,047.76	\$ 26,107.67	\$ 11,216.00	\$ 13,528.67	\$ -	\$ 42,842.76
SHARE Grant	19,918.99	-	-	-	-	19,918.99
Clean Communities Grant	55,498.19	21,509.48	1,797.00	27,206.68	4,650.00	46,947.99
Municipal Alliance for Drug and Alcohol Abuse:						
State Share	4,895.00	6,619.00	-	1,167.01	-	10,346.99
Hazardous Site Remediation Grants:						
Jersey Fresh Grant	600.00	-	-	-	-	600.00
Alcohol Education Rehabilitation Grant:						
Municipal Court - Salaries and Wages	5,272.81	695.71	-	-	-	5,968.52
Body Armor Replacement Grant	2,974.00	2,428.28	-	3,302.59	-	2,099.69
Drive Sober or Get Pulled Over	-	2,475.00	-	-	-	2,475.00
Sustainable Jersey Small Grant	3,250.00	-	-	35.00	-	3,215.00
DVRPC - Master Plan	-	-	621.46	-	621.46	-
NJDEP - 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	-	7,123.99	-	7,123.99	104,500.00
<b>Total State</b>	<b>416,003.75</b>	<b>59,835.14</b>	<b>20,758.45</b>	<b>45,239.95</b>	<b>12,395.45</b>	<b>438,961.94</b>
<b>Federal Grants:</b>						
Municipal Stormwater Regulation Grant	588.50	-	-	-	-	588.50
Drunk Driving Enforcement Fund	5,951.61	3,080.00	-	7,851.53	-	1,180.08
Distracted Driving Grant	-	3,300.00	-	3,300.00	-	-
Click It or Ticket Grant	-	2,200.00	-	2,200.00	-	-
NJDEP - Recreation Trails Program	24,000.00	-	-	-	-	24,000.00
Community Development Block Grant	1,145.83	-	-	-	-	1,145.83
<b>Total Federal</b>	<b>31,685.94</b>	<b>8,580.00</b>	<b>-</b>	<b>13,351.53</b>	<b>-</b>	<b>26,914.41</b>
<b>Local Grants:</b>						
Municipal Alliance for Drug and Alcohol Abuse:						
Municipal Share	17,582.31	1,654.75	-	-	-	19,237.06
<b>Total Local</b>	<b>17,582.31</b>	<b>1,654.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,237.06</b>
<b>Total</b>	<b>\$ 465,272.00</b>	<b>\$ 70,069.89</b>	<b>\$ 20,758.45</b>	<b>\$ 58,591.48</b>	<b>\$ 12,395.45</b>	<b>\$ 485,113.41</b>

**TOWNSHIP OF WOOLWICH  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

GRANT	BALANCE DECEMBER 31, 2017	TRANSFERRED TO 2018 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2018
State Grants:				
Recycling Tonnage Grant	\$ 13,582.41	\$ -	\$ -	\$ 13,582.41
Body Armor Grant	2,428.28	2,428.28	-	-
Total Grants	<u>\$ 16,010.69</u>	<u>\$ 2,428.28</u>	<u>\$ -</u>	<u>\$ 13,582.41</u>

*This page intentionally left blank*

**TRUST FUND**

*This page intentionally left blank*



**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	TRUST OTHER	MUNICIPAL OPEN SPACE	ANIMAL CONTROL
Balance December 31, 2017	\$ 2,548,442.38	\$ 667,059.03	\$ 7,893.07
Increased by Receipts:			
Public Defender Fees	\$ 3,800.00	\$ -	\$ -
COAH Trust Funds	10,850.33	-	-
Unemployment Trust	5,002.07	-	-
Escrow Deposits	310,948.32	-	-
Woolwich Recreation Trust	132,964.28	-	-
Police Forfeited Funds	89.90	-	-
Deposits for Police Overtime	283,582.95	-	-
Municipal Open Space Tax	-	589,788.00	-
Developer's Tree Compensation	2,284.81	-	-
UCC Fees	506,451.92	-	-
Developer's Recreation Fees	141.23	-	-
Payroll	4,042,291.02	-	-
Snow Removal	37,381.38	-	-
POAA	24.00	-	-
Municipal Functions Developer's Fees	61,884.93	-	-
Developer's Open Space	5.14	-	-
Election	13,600.00	-	-
Interfunds Received	4,304.08	-	-
Dog License Fees	-	-	5,843.00
Interest	-	1,201.56	-
	<u>5,415,606.36</u>	<u>590,989.56</u>	<u>5,843.00</u>
Subtotal	<u>7,964,048.74</u>	<u>1,258,048.59</u>	<u>13,736.07</u>
Decreased by Disbursements:			
Animal Control Expenditures	-	-	7,149.63
Municipal Open Space	-	384,246.88	-
Woolwich Recreation Trust	135,433.60	-	-
Unemployment Trust	3,818.28	-	-
Developer's Tree Compensation	2,100.00	-	-
Police Overtime Expenses	245,700.72	-	-
Public Defender Fees	3,200.00	-	-
Municipal Functions Developer's Fees	178,426.90	-	-
UCC Trust	502,538.62	-	-
Developer's Recreation Fees	1,898.60	-	-
Payroll	4,049,184.44	-	-
Snow Removal Trust	53,909.40	-	-
Escrow Disbursements	274,476.84	-	-
Developer's Open Space	6,254.22	-	-
Polling for Local Elections	13,000.00	-	-
DCA Fees Paid to State	6,649.00	-	-
Interfunds Paid	117,070.10	-	-
	<u>5,593,660.72</u>	<u>384,246.88</u>	<u>7,149.63</u>
Balance December 31, 2018	<u>\$ 2,370,388.02</u>	<u>\$ 873,801.71</u>	<u>\$ 6,586.44</u>
Cash	\$ 1,570,388.02		
Investments	<u>800,000.00</u>		
Total	<u>\$ 2,370,388.02</u>		

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	TAX TITLE LIEN REDEMPTION TRUST FUND	TAX PREMIUM TRUST FUND
Balance - December 31, 2017	\$ 9,886.71	\$ 231,122.38
Increased by:		
Received from Tax Sale	\$ 232,446.91	\$ -
	232,446.91	-
	242,333.62	231,122.38
Decreased by:		
Refund Upon Redemption	232,396.91	132,100.00
	232,396.91	132,100.00
Balance - December 31, 2018	\$ 9,936.71	\$ 99,022.38

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$ 7,798.83
Increased by Receipts:		
Dog License Fees		<u>5,843.00</u>
Subtotal		13,641.83
Decreased by Disbursements:		
Disbursements to State of New Jersey	\$ 1,259.40	
Disbursements for Dog License Expenses	<u>5,890.23</u>	<u>7,149.63</u>
Balance December 31, 2018		<u><u>\$ 6,492.20</u></u>

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2017	\$ 6,777.00
2016	<u>7,429.00</u>
Total	<u><u>\$ 14,206.00</u></u>

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 9,886.71
Increased by:	
Cash Receipts	<u>232,446.91</u>
Subtotal	242,333.62
Decreased by:	
Disbursements	<u>232,396.91</u>
Balance December 31, 2018	<u><u>\$ 9,936.71</u></u>

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 231,122.38
Decreased by:	
Cash Disbursements	<u>132,100.00</u>
Balance December 31, 2018	<u><u>\$ 99,022.38</u></u>

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$ 289,111.28
Increased by:		
Tax Levy Received	\$ 575,171.00	
Added Taxes Due from Current Fund	6,078.61	
Reimbursements from State	14,617.00	
Due from Current Fund	7,470.00	
Interest	1,201.56	<u>604,538.17</u>
Subtotal		893,649.45
Decreased by:		
Debt Service Payments Due to Current Fund	175,000.00	
Encumbrances for Open Space	185,996.73	
Cash Disbursements for Open Space	384,246.88	<u>745,243.61</u>
Balance December 31, 2018		<u>\$ 148,405.84</u>

**TOWNSHIP OF WOOLWICH  
TRUST FUND  
SCHEDULE OF MISCELLANEOUS TRUST RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	INCREASED BY		DECREASED BY DISBURSEMENTS	BALANCE DECEMBER 31, 2018
		RECEIPTS	INTEREST EARNINGS		
Public Defender	\$ 2,751.26	\$ 3,800.00	\$ -	\$ 3,200.00	\$ 3,351.26
Payroll Deductions Payable	20,602.98	4,042,291.02	-	4,049,184.44	13,709.56
Site Plan Review Escrow	737,678.90	309,788.66	1,159.66	274,476.84	774,150.38
Municipal Functions Donations	152,219.93	61,780.28	104.65	178,426.90	35,677.96
Police Overtime	28,082.08	283,582.95	-	245,700.72	65,964.31
UCC Trust	688,416.41	506,123.34	328.58	507,147.62	687,720.71
P.O.A.A. - Parking Fines	524.61	24.00	-	-	548.61
Police Forfeited Funds	4,400.29	83.20	6.70	-	4,490.19
Developer's Open Space	6,490.09	-	5.14	6,254.22	241.01
Developer's Tree Compensation	324,011.44	2,100.00	184.81	2,100.00	324,196.25
Snow Removal	19,738.20	37,381.38	-	53,909.40	3,210.18
Developer's Recreation Fees	113,828.88	-	141.23	1,898.60	112,071.51
COAH Fees	322,506.78	10,356.73	493.60	-	333,357.11
Election	250.00	13,600.00	-	13,000.00	850.00
Woolwich Recreation Trust	24,060.37	132,903.42	60.86	135,433.60	21,591.05
Unemployment Trust	2,435.26	5,000.00	2.07	3,818.28	3,619.05
	\$ 2,447,997.48	\$ 5,408,814.98	\$ 2,487.30	\$ 5,474,550.62	\$ 2,384,749.14

*This page intentionally left blank*



**GENERAL CAPITAL FUND**

*This page intentionally left blank*

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$418,172.13
Decreased by:		
Down Payments for Improvement Authorizations - Ord. 2018-05	\$ 147,000.00	
Down Payments for Improvement Authorizations - Ord. 2018-09	250,000.00	397,000.00
		<u>397,000.00</u>
Balance December 31, 2018		<u><u>\$21,172.13</u></u>

**SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$ 1,296,770.39
Increased by Receipts:		
Interfund transfer from Uniform Construction Code Trust		<u>100,000.00</u>
Subtotal		1,396,770.39
Decreased by Disbursements:		
Improvement Authorizations		<u>1,305,784.19</u>
Balance December 31, 2018		<u><u>\$ 90,986.20</u></u>

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	RECEIPTS			DISBURSEMENTS			TRANSFERS		BALANCE DECEMBER 31, 2018
		MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	TO	FROM				
Fund Balance	\$ 418,172.13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,000.00	\$ 21,172.13	
Due from Trust Other	(204,356.64)	100,000.00	-	-	-	-	-	-	(104,356.64)	
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)	36,852.23	-	-	-	-	-	-	(156,147.77)	
Capital Improvement Fund	179,483.35	-	-	-	-	-	-	-	179,483.35	
Due to Current Fund	(113,587.90)	-	-	36,852.23	-	-	-	-	(150,440.13)	
Reserve for Encumbrances	1,419,599.21	-	-	-	15,434,212.46	1,419,599.21	-	-	15,434,212.46	
Reserve for Payment of Debt	161,838.65	-	-	-	-	-	-	-	161,838.65	
Reserve for Developer's Deposits	173,465.05	-	-	-	-	-	-	-	173,465.05	
<b>IMPROVEMENT AUTHORIZATIONS:</b>										
<b>ORDINANCE</b>										
<b>NUMBER</b>										
10-13	69,785.52	-	36,194.50	-	40,265.00	4,070.50	-	4,070.50	69,785.52	
10-25a	14,583.37	-	1,944.90	-	-	12,638.37	-	12,638.37	0.10	
10-25b	13,023.06	-	13,023.16	-	-	-	-	-	(0.10)	
11-08	505.20	-	-	-	-	-	-	-	505.20	
12-15	12,485.00	-	-	-	-	-	-	-	12,485.00	
12-20	18,588.00	-	-	-	-	-	-	-	18,588.00	
13-08	2,738.82	-	2,738.82	-	7,099.14	7,099.14	-	7,099.14	-	
14-03	13,105.15	-	6,895.30	-	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	-	43,461.18	-	-	1,574.09	-	1,574.09	-	
16-09	76,518.00	-	-	-	-	-	-	-	76,518.00	
16-10	49,794.18	-	348,557.37	-	371,139.77	63,423.73	-	63,423.73	8,952.85	
17-16	193,000.00	-	-	-	-	-	-	-	193,000.00	
17-19	(994,200.00)	-	368,339.07	-	994,200.00	14,878,315.52	-	14,878,315.52	(15,246,654.59)	
18-05	-	-	35,370.75	-	147,000.00	111,628.25	-	111,628.25	1.00	
18-09	-	-	106,497.82	-	250,000.00	314,502.18	-	314,502.18	(171,000.00)	
18-12	-	-	342,761.32	-	-	40,960.68	-	40,960.68	(383,722.00)	
<b>Total</b>	<b>\$ 1,296,770.39</b>	<b>\$ 136,852.23</b>	<b>\$ 1,305,784.19</b>	<b>\$ 36,852.23</b>	<b>\$ 17,250,811.67</b>	<b>\$ 17,250,811.67</b>	<b>\$ 17,250,811.67</b>	<b>\$ 90,986.20</b>		

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017			\$ 16,153,889.01
Decreased by:			
2018 Budget Appropriation to Pay General Serial Bonds	\$ 1,000,000.00		
Green Trust Loan Bonds	29,469.58	1,029,469.58	
Balance December 31, 2018			\$ 15,124,419.43

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	2018 AUTHORIZATIONS	BALANCE DECEMBER 31, 2018	ANALYSIS OF	
					UNEXPENDED IMPROVEMENT AUTHORIZATION	EXPENDED
17-19	Various Sewer Improvements	\$ 15,400,000.00	\$ -	\$ 15,400,000.00	\$ 153,345.41	\$ 15,246,654.59
18-09	Construction and Improvements of Open Space	-	3,000,000.00	3,000,000.00	2,829,000.00	171,000.00
18-12	Various Capital Improvements	-	2,000,000.00	2,000,000.00	1,741,278.00	258,722.00
	<b>Total</b>	\$ 15,400,000.00	\$ 5,000,000.00	\$ 20,400,000.00	\$ 4,723,623.41	\$ 15,676,376.59

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 179,483.35
Decreased By:	
Appropriated to Finance Improvement Authorizations - Ord. 2018-12	<u>125,000.00</u>
Balance December 31, 2018	<u><u>\$ 54,483.35</u></u>

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2017		2018 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR PAYABLES	EXPENDED	CURRENT YEAR ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2018	
					FUNDED	UNFUNDED					FUNDED	UNFUNDED
10-13	Russell Mill Road Phase 3 & 4	5/17/2010	\$ 420,000.00	\$ 69,785.52	\$ -	\$ -	\$ 40,265.00	\$ 36,194.50	\$ 4,070.50	\$ 69,785.52	\$ -	
10-25a	Various Road Improvements	11/1/2010	200,000.00	14,583.27	-	-	-	1,944.90	12,638.37	-	-	
10-25b	Road Drainage Improvements	11/1/2010	100,000.00	13,023.16	-	-	-	13,023.16	-	-	-	
11-8	Public Works Equipment	7/18/2011	88,113.20	505.20	-	-	-	-	-	505.20	-	
12-15	Field Drainage Improvements		45,000.00	12,485.00	-	-	-	-	-	12,485.00	-	
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	7,099.14	0.00	-	
14-03	Public Works, Public & Fire Safety Equipment		70,000.00	13,105.15	-	-	6,895.30	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	9/21/2015	12,485.00	2,542.82	-	-	-	-	-	2,542.82	-	
15-16	Roadway Improvements	9/21/2015	375,000.00	45,035.27	-	-	-	43,461.18	1,574.09	0.00	-	
16-09	Acquisition of Transfer Development Rights	8/1/2016	2,100,000.00	76,518.00	-	-	-	-	-	76,518.00	-	
16-10	Various Capital Improvements	8/1/2016	883,111.00	49,794.18	-	-	371,139.77	348,557.37	63,423.73	8,952.85	-	
17-16	Various Roadway and Drainage Improvements	8/21/2017	193,000.00	193,000.00	-	-	-	-	-	193,000.00	-	
17-19	Various Sewer Improvements	12/18/2017	15,400,000.00	-	14,405,800.00	-	994,200.00	368,339.07	14,878,315.52	-	153,345.41	
18-05	Various Roadway Improvements	5/7/2018	147,000.00	-	-	147,000.00	-	35,370.75	111,628.25	1.00	-	
18-09	Construction and Improvements of Open Space	5/21/2018	3,250,000.00	-	-	3,250,000.00	-	106,497.82	314,502.18	-	2,829,000.00	
18-12	Various Capital Improvements	8/20/2018	2,125,000.00	-	-	2,125,000.00	-	342,761.32	40,960.68	-	1,741,278.00	
<b>Total</b>			<b>\$ 528,864.89</b>	<b>\$ 14,405,800.00</b>	<b>\$ 5,522,000.00</b>	<b>\$ 1,419,599.21</b>	<b>\$ 1,305,784.19</b>	<b>\$ 15,434,212.46</b>	<b>\$ 412,644.04</b>	<b>\$ 4,723,623.41</b>		



**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASED	DECREASED	BALANCE DECEMBER 31, 2018
			DECEMBER 31, 2018 DATE	AMOUNT					
General Obligation Refunding Bonds - Series 2015	4/30/2015	5,260,000	12/15/2019	\$ 460,000.00	3.000%	\$ 4,040,000.00	\$ -	\$ 460,000.00	\$ 3,580,000.00
			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	10/1/2019	205,000.00	4.000%	5,335,000.00	-	200,000.00	5,135,000.00
			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				
7/1/2020	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						\$ 15,910,000.00	\$ -	\$ 1,000,000.00	\$ 14,910,000.00
								Paid from Current Fund	\$ 1,000,000.00
								Total	\$ 1,000,000.00

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2017	DECREASED	BALANCE DECEMBER 31, 2018	
			DECEMBER 31, 2018 DATE	AMOUNT					
Locke Avenue Park	1/4/2002	\$ 150,000.00	1/12/2019	\$ 4,349.95	2.00%	\$ 39,949.68	\$ 8,571.12	\$ 31,378.56	
			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%				
Park Expansion	4/26/2007	400,000.00	4/26/2019	10,606.23	2.00%	203,939.33	20,898.46	183,040.87	
			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								\$ 29,469.58	\$ 214,419.43

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	2018 AUTHORIZATIONS	2018 REDUCTIONS	BALANCE DECEMBER 31, 2018
17-19	Various Sewer Improvements	\$ 15,400,000.00	\$ -	\$ -	\$ 15,400,000.00
18-09	Construction and Improvements of Open Space	-	3,000,000.00	-	3,000,000.00
18-12	Various Capital Improvements	-	2,000,000.00	-	2,000,000.00
	Total	<u>\$ 15,400,000.00</u>	<u>\$ 5,000,000.00</u>	<u>\$ -</u>	<u>\$ 20,400,000.00</u>

**TOWNSHIP OF WOOLWICH  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 400,008.35
Decreased By:	
Grants Received by Current Fund	<u>36,852.23</u>
Balance December 31, 2018	<u><u>\$ 363,156.12</u></u>

**Analysis of Grants Receivable**

State Aid Receivable - Prior Years	\$ 170,156.12
NJDOT - Russell Mill Road/Cloverdale Road Improvements - Ord 2017-16	<u>193,000.00</u>
Total	<u><u>\$ 363,156.12</u></u>

**TOWNSHIP OF WOOLWICH**

**PART II**

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

**FOR THE YEAR ENDED DECEMBER 31, 2018**

*This page intentionally left blank*

**TOWNSHIP OF WOOLWICH**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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 2018-001:**

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 Current Fund.

Cause:

Lack of resources in the finance office.

Effect or potential effect:

Ending balances in the client's general ledger for the Current 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 Current 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 2018-002:**

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.

**TOWNSHIP OF WOOLWICH**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS (continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Finding 2018-002 (continued):**

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 2018-003:**

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.

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.

**Finding 2018-004:**

Criteria or specific requirement:

That the Township make their pension payments by the due date.

Condition:

During our audit it was noted that quarterly pension payments for both PERS and PFRS were filed after the State's due date.

Cause:

Lack of resources in the finance department.



**TOWNSHIP OF WOOLWICH**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS (continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Finding 2018-004 (continued):**

Effect or potential effect:

Pension payments were submitted after the due date.

Recommendation:

That the Township makes timely pension payments.

View of responsible official:

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

**Finding 2018-005:**

Criteria or specific requirement:

That the Township maintain a fixed asset accounting system.

Condition:

During our audit it was noted that a fixed asset accounting system is not being maintained for land and buildings in accordance with technical accounting directive No. 2 and N.J.A.C. 5:30-5.6.

Cause:

Lack of resources in the finance office.

Effect or potential effect:

Potential for incorrect reporting of fixed assets.

Recommendation:

That a fixed assets accounting system be maintained for land and buildings in accordance with technical accounting directive No. 2 and N.J.A.C. 5:30-5.6.

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, 2018**

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. 2017-001**

Condition:

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

Current Status:

This finding has been corrected.

**Finding No. 2017-002**

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 been corrected.

**Finding No. 2017-003**

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 2018-002.

**TOWNSHIP OF WOOLWICH**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Finding No. 2017-004**

**Condition:**

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

**Current Status:**

This finding has not been corrected. See Finding 2018-003.

**FEDERAL AWARDS**

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

**STATE FINANCIAL ASSISTANCE**

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

*This page intentionally left blank*

**TOWNSHIP OF WOOLWICH**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

*This page intentionally left blank*

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2018:

<u>Name</u>	<u>Title</u>
Jordan Schlump	Mayor
John A. Carleton	Deputy Mayor
Vernon Marino	Committee Member
Gina Marie Santore	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
Jordan Higgins	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.

*This page intentionally left blank*



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, 2018.

#### **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, 2018.

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, 2018 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 2018-001** (*Finding 2018-001 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 Current Fund.

**\*Finding 2018-002** (*Finding 2018-002 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 2018-003** (*Finding 2018-003 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.

**Finding 2018-004** (*Finding 2018-004 in the Schedule of Financial Statement Findings section*) - During our audit it was noted that quarterly pension payments for both PERS and PFRS were filed after the State's due date.

**Finding 2018-005** (*Finding 2018-005 in the Schedule of Financial Statement Findings section*) - During our audit it was noted that a fixed asset accounting system is not being maintained for land and buildings in accordance with technical accounting directive No. 2 and N.J.A.C. 5:30-5.6.

\*Denotes Prior Year Finding.

## **RECOMMENDATIONS:**

**Finding 2018-001** - That the Township posts all adjusting and closing entries to the general ledger at year end for the General Capital Fund.

**Finding 2018-002** - That the Township utilizes the Municipal Functions Donations Trust Fund only for activities approved under the Budget Rider.

**Finding 2018-003** - That the Township actively pursue collection of all outstanding receivables.

**Finding 2018-004** - That the Township makes timely pension payments.

**Finding 2018-005** - That a fixed assets accounting system be maintained for land and buildings in accordance with technical accounting directive No. 2 and N.J.A.C. 5:30-5.6.

## **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  
August 26, 2019