

**TOWNSHIP OF WOOLWICH  
COUNTY OF GLOUCESTER  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2020**



TOWNSHIP OF WOOLWICHTABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART 1</u>		
	Independent Auditor's Report	2
	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	5
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	11
A-3	Statement of Expenditures--Regulatory Basis	14
<u>TRUST FUND</u>		
B	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	19
B-1	Municipal Open Space Fund -- Statement of Revenues--Regulatory Basis	21
B-2	Municipal Open Space Fund -- Statement of Expenditures--Regulatory Basis	22
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	23
C-1	Statement of Fund Balance -- Regulatory Basis	24
<u>GENERAL FIXED ASSET GROUP OF ACCOUNTS</u>		
G	Schedule of General Fixed Asset Group of Accounts -- Regulatory Basis	25
	Notes to Financial Statements	26
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Chief Financial Officer	63
SA-2	Statement of Current Cash--Tax Collector	64
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	65
SA-4	Statement of Tax Title Liens	66
SA-5	Statement of Revenue Accounts Receivable	67
SA-6	Statement of Appropriation Reserves	68
SA-7	Statement of Due State of New Jersey--Veterans' and Senior Citizens' Deductions	70
SA-8	Statement of Prepaid Taxes	71
SA-9	Statement of Tax Overpayments	71
SA-10	Statement of County Taxes Payable	72
SA-11	Statement of Due to County for Added and Omitted Taxes	72
SA-12	Statement of Local School District Tax	73
SA-13	Statement of Regional High School District Tax	73

TOWNSHIP OF WOOLWICHTABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>CURRENT FUND (CONT'D)</u>		
SA-14	Statement of Municipal Open Space Tax	74
SA-15	Statement of Amount Due to Municipal Open Space for Added and Omitted Taxes	74
SA-16	Federal and State Grant Fund--Statement of Due Current Fund	75
SA-17	Federal and State Grant Fund--Statement of Federal and State Grants Receivable	76
SA-18	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Unappropriated	77
SA-19	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Appropriated	78
<u>TRUST FUND</u>		
SB-1	Statement of Trust Cash--Chief Financial Officer	80
SB-2	Statement of Trust Cash--Tax Collector	81
SB-3	Statement of Amount Due to Current Fund--Animal Control Fund	82
SB-4	Statement of Amount Due to State of New Jersey--Department of Health	82
SB-5	Statement of Reserve for Animal Control Fund	83
SB-6	Statement of Due Current Fund--Municipal Open Space Fund	84
SB-7	Statement of Appropriation Reserves--Municipal Open Space Fund	85
SB-8	Statement of Reserve for Future Use--Municipal Open Space Fund	86
SB-9	Statement of Due Current Fund--Trust Other Fund	87
SB-10	Statement of Accounts Receivable--Trust Other Fund	87
SB-11	Statement of Due to State--Uniform Construction Code Training Fees	88
SB-12	Statement of Miscellaneous Trust Reserves	89
SB-13	Statement of Reserve for Uniform Construction Code	90
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash--Chief Financial Officer	92
SC-2	Analysis of General Capital Cash	93
SC-3	Statement of Deferred Charges to Future Taxation--Funded	94
SC-4	Statement of Deferred Charges to Future Taxation--Unfunded	95
SC-5	Statement of Due Current Fund	96
SC-6	Statement of State Aid Receivable	97
SC-7	Statement of Capital Improvement Fund	98
SC-8	Statement of Improvement Authorizations	99
SC-9	Statement of General Serial Bonds	100
SC-10	Statement of Green Trust Loan Payable	101
SC-11	Statement of Bonds Anticipation Notes	102
SC-12	Statement of Bonds and Notes Authorized But Not Issued	103

TOWNSHIP OF WOOLWICH  
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>	<u>Page No.</u>
<u>PART 2</u>	
<u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u>	
Schedule of Findings and Questioned Costs	105
Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	107
<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>	108
<u>APPRECIATION</u>	109

**TOWNSHIP OF WOOLWICH**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

## **INDEPENDENT AUDITOR'S REPORT**

The 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 of the Township of Woolwich, in the County of Gloucester, State of New Jersey, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

**Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on 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, in the County of Gloucester, State of New Jersey, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Woolwich, in the County of Gloucester, State of New Jersey, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2020, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

**Other Matters**

*Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2021 on our consideration of the Township of Woolwich, in the County of Gloucester, State of New Jersey, 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 solely 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 effectiveness of the Township of Woolwich's 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,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
November 12, 2021



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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Woolwich, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 12, 2021. That report indicated that the Township of Woolwich's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Woolwich's internal control over financial reporting (internal control) as a basis for designing 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 of Woolwich's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Woolwich'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 have not been identified. We did identify certain deficiencies in internal control, as described in the accompanying *Schedule of Findings and Recommendations*, as *Finding No. 2020-001* and *Finding No. 2020-002* that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Woolwich'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 financial statements. 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 Findings and Recommendations*, as *Finding No. 2020-001 and Finding No. 2020-002*.

**The 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 Findings and Recommendations*. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
November 12, 2021

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis  
As of December 31, 2020 and 2019

Assets:	Ref.	2020	2019
Regular Fund:			
Cash:			
Chief Financial Officer	SA-1	\$ 7,910,746.41	\$ 6,380,697.06
Change Fund	A	650.00	650.00
		<u>7,911,396.41</u>	<u>6,381,347.06</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	515,468.53	553,998.14
Tax Title Liens Receivable	SA-4	260,520.62	242,379.56
Revenue Accounts Receivable	SA-5	3,779.21	11,852.78
Due from Dog License Fund	SB-3	94.24	94.24
Due from Municipal Open Space Fund	SB-6	-	4,132.38
Due from Trust Other Funds	SB-10	74,859.16	83,661.28
Due from General Capital Fund	SC-5	-	64,469.58
		<u>854,721.76</u>	<u>960,587.96</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)	A-3	175,000.00	-
		<u>175,000.00</u>	<u>-</u>
		<u>8,941,118.17</u>	<u>7,341,935.02</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-16	411,553.48	274,954.30
Due from General Capital Fund	SA-16	-	127,500.00
Grants Receivable	SA-17	130,292.45	122,292.45
		<u>541,845.93</u>	<u>524,746.75</u>
		<u>\$ 9,482,964.10</u>	<u>\$ 7,866,681.77</u>

(Continued)

**TOWNSHIP OF WOOLWICH**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis  
As of December 31, 2020 and 2019

	Ref.	2020	2019
<b>Liabilities, Reserves and Fund Balance:</b>			
<b>Regular Fund:</b>			
Appropriation Reserves	A-3,SA-6	\$ 812,789.92	\$ 439,626.81
Reserve for Encumbrances	A-3,SA-6	201,164.98	117,523.88
Accounts Payable	SA-6, SA-1	69,858.30	53,191.25
Due to State of New Jersey:			
Senior Citizen's and Veteran's Deductions	SA-7	10,704.30	11,954.30
Marriage License Fees	SA-1	-	165.00
Prepaid Taxes	SA-8	590,949.21	274,340.77
Tax Overpayments	SA-9	41,303.28	19,844.28
Due County for Added and Omitted Taxes	SA-11	147,479.21	113,221.02
Local District School Taxes Payable	SA-12	3,149,826.48	2,602,401.48
Due to Federal and State Grant Fund	SA-16	411,553.48	274,954.30
Due to General Capital Fund	SC-5	10,530.42	-
Due to Municipal Open Space	SB-6	7,938.94	-
Reserve for Master Plan	A	66,418.82	66,418.82
		<u>5,520,517.34</u>	<u>3,973,641.91</u>
Reserves for Receivables	A	854,721.76	960,587.96
Fund Balance	A-1	<u>2,565,879.07</u>	<u>2,407,705.15</u>
		<u>8,941,118.17</u>	<u>7,341,935.02</u>
<b>Federal and State Grant Fund:</b>			
Encumbrances Payable	SA-19	4,923.85	4,505.00
Unappropriated Reserves	SA-18	32,262.43	79,275.40
Appropriated Reserves	SA-19	504,659.65	440,966.35
		<u>541,845.93</u>	<u>524,746.75</u>
		<u>\$ 9,482,964.10</u>	<u>\$ 7,866,681.77</u>

The accompanying Notes to 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, 2020 and 2019

	2020	2019
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 1,895,000.00	\$ 1,870,000.00
Miscellaneous Revenues Anticipated	2,466,402.13	2,049,498.51
Receipts from Delinquent Taxes	448,851.51	526,722.49
Receipts from Current Taxes	46,419,253.92	44,059,702.65
Nonbudget Revenues	423,960.81	643,415.06
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	166,548.59	229,079.14
Interfund Returned	77,404.08	910.12
Marriage Licenses Payable Canceled	165.00	-
Prepaid Regional School Tax Liquidated	-	100.40
Tax Overpayments Cancelled	-	750.58
	51,897,586.04	49,380,178.95
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,471,364.29	2,543,290.90
Other Expenses	3,788,882.00	3,771,981.45
Deferred Charges and Statutory Expenditures	976,457.28	905,540.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	1,217,622.58	719,878.54
Other Expenses	97,223.76	38,857.38
Capital Improvements	265,000.00	100,000.00
Municipal Debt Service	1,714,250.74	1,531,400.76
County Taxes	10,008,553.40	9,807,710.03
Due County for Added and Omitted Taxes	147,479.21	113,422.61
Local District School Tax	17,120,661.00	16,025,811.00
Regional High School Tax	11,526,096.54	11,185,421.42
Municipal Open Space Tax	675,448.00	588,124.10
Due Municipal Open Space for Added and Omitted Taxes	9,623.32	6,786.02
Interfund Created	-	67,100.98
Senior and Veteran Deductions Disallowed	750.00	875.00
Refund Revenue	-	3,475.00
State Grant Receivable Adjustment	-	42,500.00
	50,019,412.12	47,452,175.19
Excess in Revenues	1,878,173.92	1,928,003.76

(Continued)

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Adjustments to Income Before Fund Balance -		
Expenditures Included Above Which Are by Statute Deferred		
Charges to Budget of Succeeding Year	\$ 175,000.00	-
Regulatory Excess to Fund Balance	2,053,173.92	\$ 1,928,003.76
Fund Balance January 1	<u>2,407,705.15</u>	<u>2,349,701.39</u>
Total	4,460,879.07	4,277,705.15
Decreased by:		
Utilization as Anticipated Revenue	<u>1,895,000.00</u>	<u>1,870,000.00</u>
Fund Balance December 31	<u>\$ 2,565,879.07</u>	<u>\$ 2,407,705.15</u>

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

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2020

	Anticipated Budget	Realized	Excess
Fund Balance Anticipated	\$ 1,895,000.00	\$ 1,895,000.00	
Miscellaneous Revenues:			
Fines and Costs:			
Municipal Court	165,000.00	85,099.60	\$ (79,900.40)
Interest and Costs on Taxes	90,000.00	107,754.50	17,754.50
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	414,809.00	414,808.99	(0.01)
Garden State Trust Fund	5,939.00	5,939.00	
Kingsway Regional High School District Interlocal	73,432.43	148,684.00	75,251.57
Swedesboro/Woolwich School District	34,239.00	34,239.00	
Borough of Swedesboro Interlocal:			
Aid to Volunteer Fire Company	12,500.00	8,000.00	(4,500.00)
Police Coverage and Protection	662,500.00	662,500.00	
Borough of South Harrison Interlocal:			
Police Coverage and Protection	447,451.15	447,451.15	
Reserve to Pay Debt Service	88,252.13	88,252.13	
Interfund Receivable - UCC	35,000.00	35,000.00	
Interfund Receivable - Open Space Fund	345,950.00	345,950.00	
Public and Private Revenues Offset With Appropriations:			
Alcohol Education and Rehabilitation Fund	1,165.43	1,165.43	
Recycling Tonnage Grant	46,950.27	46,950.27	
Clean Communities Program	24,009.70	24,009.70	
Municipal Alliance	8,000.00	8,000.00	
Body Armor Grant	2,598.36	2,598.36	
	<u>2,457,796.47</u>	<u>2,466,402.13</u>	<u>8,605.66</u>
Receipts from Delinquent Taxes	<u>500,000.00</u>	<u>448,851.51</u>	<u>(51,148.49)</u>
Subtotal General Revenues	4,852,796.47	4,810,253.64	(42,542.83)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	<u>6,891,197.12</u>	<u>8,319,581.13</u>	<u>1,428,384.01</u>
Budget Totals	11,743,993.59	13,129,834.77	1,385,841.18
Nonbudget Revenues	<u>-</u>	<u>423,960.81</u>	<u>423,960.81</u>
	<u>\$ 11,743,993.59</u>	<u>\$ 13,553,795.58</u>	<u>\$ 1,809,801.99</u>

(Continued)

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2020

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Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 46,419,253.92
Allocated to:	
School, County and Open Space Taxes	<u>39,487,861.47</u>
Balance for Support of Municipal Budget Revenues	6,931,392.45
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>1,388,188.68</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 8,319,581.13</u>
 <u>Receipts from Delinquent Taxes:</u>	
Delinquent Tax Collections	\$ 435,528.98
Tax Title Lien Collections	<u>13,322.53</u>
Delinquent Tax Collections	<u>\$ 448,851.51</u>

(Continued)



**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2020

Analysis of Realized Revenue (Continued):

Analysis of Non-Budget Revenue

Appropriation Refunds	\$ 8,036.69
Fees & Permits	2,868.00
Benefits Share	25,207.75
Cable Franchise Fees	31,161.49
Certified List	316.00
Copies	371.00
Driveway Opening Permits	5,100.00
Farm Lease	6,528.00
Interlocal Service Agreement - South Harrison Township	6,000.00
Interest Earned - Treasurer	46,846.04
JIF Safety	3,500.00
Junk Yard	2,853.60
Licenses - Alcoholic	6,000.00
Motor Vehicle Inspection Fines	905.50
Other Clerk Fees	77.58
PILOT - The Oaks	46,682.62
PILOT - Eagle View	68,691.96
Planning & Zoning Permits	42,875.00
Police Reports	114.05
Prior Year Appropriation Refunds	7,799.48
Rental Fee	900.00
Senior Citizen & Veteran Administrative Fee	992.50
Street Opening Permits	1,200.00
Trash Carts	9,671.15
Vacant Property Registration	16,800.00
UCC Indirect Cost Reimbursement	60,383.93
Miscellaneous - Treasurer	22,078.47
	<u>\$ 423,960.81</u>
Cash - Chief Financial Officer	\$ 420,902.72
Interfunds	<u>3,058.09</u>
	<u>\$ 423,960.81</u>

The accompanying Notes to 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, 2020

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
Department of Administration and Finance:						
General Administration						
Salaries and Wages	\$ 40,000.00	\$ 40,000.00	\$ 24,999.98		\$ 15,000.02	
Other Expenses	5,500.00	5,500.00	1,599.77	\$ 19.95	3,880.28	
Mayor and Township Committee						
Salaries and Wages	30,500.00	30,501.00	30,500.08		0.92	
Other Expenses	2,500.00	2,500.00	1,582.55		917.45	
Municipal Clerk						
Salaries and Wages	129,000.00	129,800.00	128,999.98		800.02	
Other Expenses	21,150.00	21,150.00	17,242.55	1,072.84	2,834.61	
Financial Administration						
Salaries and Wages	147,500.00	147,500.00	145,198.25		2,301.75	
Other Expenses	55,000.00	55,000.00	43,918.96	9,921.77	1,159.27	
Audit Services						
Other Expenses	55,000.00	65,000.00	35,650.00		29,350.00	
Revenue Administration						
Salaries and Wages	65,000.00	65,000.00	62,500.07		2,499.93	
Other Expenses	10,500.00	10,500.00	10,203.99		296.01	
Legal Services and Costs						
Other Expenses	250,000.00	260,000.00	233,516.47	21,489.00	4,994.53	
Engineering Services and Costs						
Other Expenses	42,500.00	47,500.00	39,447.44	790.00	7,262.56	
Economic Development						
Other Expenses	5,000.00					
Planning Board						
Salaries and Wages	32,500.00	32,500.00	31,965.00		535.00	
Miscellaneous Other Expenses	90,000.00	80,000.00	60,787.68	3,648.00	15,564.32	
Zoning Board of Adjustment						
Salaries and Wages	39,780.00	39,780.00	39,780.00			
Other Expenses	500.00	500.00		6.10	493.90	
Office of Community Development						
Salaries and Wages	18,750.00	18,750.00	18,731.38		18.62	
Other Expenses	1,500.00	1,500.00	1,056.62		443.38	

(Continued)

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS" (CONT'D)</b>						
Department of Administration and Finance (Cont'd):						
Insurance						
General Liability	\$ 385,012.00	\$ 385,012.00	\$ 370,402.00		\$ 14,610.00	
Employee Group Health	645,000.00	645,000.00	607,487.26		37,512.74	
Health Benefits Waiver	27,500.00	27,500.00			27,500.00	
Employee Health Benefits - Optional Cash Payment	75,000.00	75,000.00	18,699.16	\$ 396.42	55,904.42	
Public Safety Functions:						
Police						
Salaries and Wages	1,631,434.29	1,516,434.29	1,356,264.85		160,169.44	
Other Expenses	140,500.00	165,500.00	146,255.60	11,520.05	7,724.35	
Office of Emergency Management						
Salaries and Wages	7,500.00	7,500.00	5,000.06		2,499.94	
Other Expenses	2,500.00	2,500.00			2,500.00	
Aid to Volunteer Fire Company						
Other Expenses	95,000.00	95,000.00	82,514.51	12,354.50	130.99	
Municipal Prosecutor						
Salaries and Wages	22,000.00	22,400.00	22,394.31		5.69	
Department of Public Works:						
Streets and Roads Maintenance						
Other Expenses	55,500.00	55,500.00	37,882.49	2,942.24	14,675.27	
Snow Removal						
Salaries and Wages	15,000.00	15,000.00	15,000.00			
Other Expenses	15,000.00	15,000.00	13,500.00	1,500.00		
Solid Waste Collection						
Other Expenses	600,000.00	590,000.00	412,458.00		177,542.00	
Public Buildings and Grounds						
Salaries and Wages	240,000.00	240,000.00	240,000.00			
Other Expenses	89,550.00	89,550.00	58,191.98	18,892.94	12,465.08	
Vehicle Maintenance						
Other Expenses	45,000.00	45,000.00	(5,648.90)	37,519.87	13,129.03	
Health & Human Services Functions:						
Public Health Services						
Salaries and Wages	8,000.00	8,000.00	7,802.90		197.10	
Other Expenses	300.00	300.00	63.00		237.00	

(Continued)

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS" (CONT'D)</b>						
Park & Recreation Functions:						
Recreation Services and Programs						
Salaries and Wages	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00			
Other Expenses	10,000.00	10,000.00	3,823.47	\$ 1,401.00	\$ 4,775.53	
Maintenance of Parks						
Other Expenses	65,500.00	65,500.00	46,894.68	18,581.63	23.69	
Other Common Operating Functions:						
Celebration of Public Events						
Other Expenses	1,500.00	1,500.00		190.00	1,310.00	
Utilities:						
Gasoline	112,000.00	112,000.00	60,726.38	2,033.64	49,239.98	
Electricity	142,000.00	142,000.00	126,229.30	9,023.69	6,747.01	
Telephone	30,000.00	30,000.00	23,642.52	5,588.37	769.11	
Street Lighting	72,000.00	72,000.00	47,153.23		24,846.77	
Water/Fire Hydrant Service	110,000.00	110,000.00	81,569.56	926.56	27,503.88	
Heating	10,500.00	10,500.00	5,218.13		5,281.87	
Cable TV & Internet	5,000.00	5,600.00	4,249.90	207.16	1,142.94	
Landfill/Solidwaste Disposal Costs:						
Other Expenses	450,000.00	470,000.00	395,835.08	38,202.30	35,962.62	
Salary and Wage Adjustment Account:						
Salaries and Wages	7,500.00	6,699.00	6,643.72		55.28	
Municipal Court:						
Salaries and Wages	135,000.00	129,000.00	128,644.08		355.92	
Other Expenses	21,770.00	19,770.00	16,754.31	1,056.84	1,958.85	
Public Defender:						
Salaries and Wages	12,000.00	10,000.00	7,025.00	400.00	2,575.00	
<b>Total Operations Within "CAPS"</b>	<b>6,339,246.29</b>	<b>6,260,246.29</b>	<b>5,282,857.35</b>	<b>199,684.87</b>	<b>777,704.07</b>	<b>-</b>
Detail:						
Salaries and Wages	2,593,964.29	2,471,364.29	2,283,949.66	400.00	187,014.63	-
Other Expenses	3,745,282.00	3,788,882.00	2,998,907.69	199,284.87	590,689.44	-

(Continued)

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 160,821.00	\$ 160,821.00	\$ 160,821.00		\$	
Social Security System (O.A.S.I.)	290,603.28	279,603.28	244,983.47			34,619.81
Defined Contributions Retirement Program	750.00	750.00	283.96			466.04
Police and Fireman's Retirement System	535,283.00	535,283.00	535,283.00			
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>	<b>987,457.28</b>	<b>976,457.28</b>	<b>941,371.43</b>	<b>-</b>	<b>35,085.85</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>7,326,703.57</b>	<b>7,236,703.57</b>	<b>6,224,228.78</b>	<b>\$ 199,684.87</b>	<b>812,789.92</b>	<b>-</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
Interlocal Municipal Services Agreements:						
Kingsway Regional High School District:						
Salaries and Wages	107,671.43	107,671.43	107,671.43			
Township of South Harrison:						
Police Salaries and Wages	447,451.15	447,451.15	447,451.15			
Borough of Swedesboro:						
Recreation Other Expenses	12,500.00	12,500.00	11,019.89	1,480.11		
Police Coverage and Protection						
Salaries and Wages	662,500.00	662,500.00	662,500.00			
Public and Private Programs Offset by Revenues:						
Clean Communities Program	24,009.70	24,009.70	24,009.70			
Recycling Tonnage Grant	46,950.27	46,950.27	46,950.27			
Body Armor Grant	2,598.36	2,598.36	2,598.36			
Municipal Alliance on Alcoholism and Drug Abuse:						
State Share	10,000.00	10,000.00	10,000.00			
Local Share	1,165.43	1,165.43	1,165.43			
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>1,314,846.34</b>	<b>1,314,846.34</b>	<b>1,313,366.23</b>	<b>1,480.11</b>	<b>-</b>	<b>-</b>
Detail:						
Salaries and Wages	1,217,622.58	1,217,622.58	1,217,622.58	-	-	-
Other Expenses	97,223.76	97,223.76	95,743.65	1,480.11	-	-

(Continued)

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
<b><u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u></b>					
Capital Improvement Fund		\$ 90,000.00	\$ 90,000.00		
Down Payment on Improvements		175,000.00	175,000.00		
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>-</b>	<b>265,000.00</b>	<b>265,000.00</b>	<b>-</b>	<b>-</b>
<b><u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u></b>					
Payment of Bond Principal	\$ 1,050,000.00	1,050,000.00	1,050,000.00		
Interest on Bonds	451,300.00	451,300.00	451,300.00		
Interest on Notes	178,750.00	178,750.00	178,749.99		\$ 0.01
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	34,205.00	34,205.00	34,200.75		4.25
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<b>1,714,255.00</b>	<b>1,714,255.00</b>	<b>1,714,250.74</b>	<b>-</b>	<b>4.26</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	<b>3,029,101.34</b>	<b>3,294,101.34</b>	<b>3,292,616.97</b>	<b>\$ 1,480.11</b>	<b>4.26</b>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<b>10,355,804.91</b>	<b>10,530,804.91</b>	<b>9,516,845.75</b>	<b>201,164.98</b>	<b>\$ 812,789.92</b>
Reserve for Uncollected Taxes	1,388,188.68	1,388,188.68	1,388,188.68		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 11,743,993.59</b>	<b>\$ 11,918,993.59</b>	<b>\$ 10,905,034.43</b>	<b>\$ 201,164.98</b>	<b>\$ 812,789.92</b>
Budget		\$ 11,743,993.59			
Emergency Authorizations (40A:4-47)		175,000.00			
Federal and State Grants			\$ 84,723.76		
Reserve for Uncollected Taxes			1,388,188.68		
Cash Disbursements			9,432,121.99		
		<b>\$ 11,918,993.59</b>	<b>\$ 10,905,034.43</b>		

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

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<b>Assets:</b>			
<b>Animal Control Fund:</b>			
Cash - Chief Financial Officer	SB-1	\$ 3,998.16	\$ 6,339.42
<b>Municipal Open Space Fund:</b>			
Cash - Chief Financial Officer	SB-1	580,083.44	537,745.04
Due from Current Fund	SB-6	7,938.94	-
		<u>588,022.38</u>	<u>537,745.04</u>
<b>Other Funds:</b>			
Cash - Chief Financial Officer	SB-1	3,137,518.71	4,072,043.52
Cash - Tax Collector	SB-2	148,957.09	175,557.09
Due from Contractors	SB-10	79,252.74	123,069.16
Due from General Capital Fund	B	-	100,000.00
		<u>3,365,728.54</u>	<u>4,470,669.77</u>
		<u>\$ 3,957,749.08</u>	<u>\$ 5,014,754.23</u>
<b>Liabilities, Reserves and Fund Balance:</b>			
<b>Animal Control Fund:</b>			
Due to Current Fund	SB-3	\$ 94.24	\$ 94.24
Due to State of New Jersey	SB-4	7.20	3.20
Reserve for Encumbrances	SB-5	-	4,659.17
Reserve for Animal Control Fund Expenditures	SB-5	3,896.72	1,582.81
		<u>3,998.16</u>	<u>6,339.42</u>
<b>Municipal Open Space Fund:</b>			
Due to Current Fund	SB-6	-	4,132.38
Due to General Capital Fund	B	154,356.64	154,356.64
Appropriation Reserves	B-2	70,568.18	23,732.18
Encumbrances Payable	B-2, SB-7	31,338.75	133,151.58
Reserve for Future Use	SB-8	331,758.81	222,372.26
		<u>588,022.38</u>	<u>537,745.04</u>

(Continued)

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Liabilities, Reserves and Fund Balance (Cont'd):			
Other Funds:			
Due Current Fund	SB-9	\$ 74,859.16	\$ 83,661.28
Due to State:			
Uniform Construction Code Training Fees	SB-11	10,560.00	6,251.00
Encumbrances Payable:			
Miscellaneous Trust Reserves	SB-12	466,449.66	577,222.19
Reserve for Uniform Construction Code	SB-13	87,017.05	1,786.38
Miscellaneous Trust Reserves:			
Public Defender	SB-12	6,541.26	4,221.26
Payroll Deductions Payable	SB-12	49,590.47	34,166.00
Site Plan Review Escrow	SB-12	1,020,372.68	2,095,616.04
Municipal Functions Donations	SB-12	28,888.55	38,707.14
P.O.A.A. - Parking Fines	SB-12	436.73	602.61
Police Forfeited Funds	SB-12	7,378.42	7,359.59
Developer's Tree Compensation	SB-12	290,752.89	304,099.79
Snow Removal	SB-12	33,465.13	51,160.83
Developer's Recreation Fees	SB-12	31,038.69	34,292.95
COAH Fees	SB-12	394,657.39	364,805.87
Election	SB-12	1,800.00	1,250.00
Woolwich Recreation Trust	SB-12	43,567.45	25,656.74
Unemployment Trust	SB-12	8,059.78	22.10
Deposits for Redemption of Tax Title Liens	SB-12	9,934.71	9,934.71
Tax Sale Premiums	SB-12	139,022.38	165,622.38
Reserve for Uniform Construction Code	SB-13	661,336.14	664,230.91
		<u>3,365,728.54</u>	<u>4,470,669.77</u>
		<u>\$ 3,957,749.08</u>	<u>\$ 5,014,754.23</u>

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



**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
**MUNICIPAL OPEN SPACE FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 673,000.00	\$ 685,071.32	\$ 12,071.32
Reserve Funds:			
Reserve for Future Use	22,950.00	22,950.00	
Miscellaneous Revenues Not Anticipated		<u>2,214.46</u>	<u>2,214.46</u>
	<u>\$ 695,950.00</u>	<u>\$ 710,235.78</u>	<u>\$ 14,285.78</u>

Analysis of Realized Revenues:

Amount to be Raised by Taxation:

Current Year Levy	\$ 675,448.00
Added Taxes	<u>9,623.32</u>
	<u>\$ 685,071.32</u>

Miscellaneous Revenues Not Anticipated:

Interest Earned	\$ <u>2,214.46</u>
	<u>\$ 2,214.46</u>

Allocation:

Cash - Chief Financial Officer	\$ 675,214.46
Due Current Fund	<u>12,071.32</u>
	<u>\$ 687,285.78</u>

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

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
**MUNICIPAL OPEN SPACE FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Encumbered	Reserved
	Budget	Budget After Modification			
Development of Lands for Recreation & Conservation:					
Salaries & Wages	\$ 200,000.00	\$ 200,000.00	\$ 197,336.16		\$ 2,663.84
Other Expenses	150,000.00	150,000.00	50,756.91	\$ 31,338.75	67,904.34
Debt Service:					
Payment of Bonds	216,000.00	216,000.00	216,000.00		
Interest on Bonds	129,950.00	129,950.00	129,950.00		
	<u>\$ 695,950.00</u>	<u>\$ 695,950.00</u>	<u>\$ 594,043.07</u>	<u>\$ 31,338.75</u>	<u>\$ 70,568.18</u>

The accompanying Notes to 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  
As of December 31, 2020 and 2019

Assets:	Ref.	2020	2019
Cash	SC-1	\$ 3,924,406.68	\$ 2,940,741.96
State Aid Receivable	SC-6	209,870.60	170,156.12
Deferred Charges to Future Taxation:			
Funded	SC-3	12,998,691.34	14,079,357.51
Unfunded	SC-4	24,546,750.00	21,221,750.00
Due from Current Fund	SC-5	10,530.42	-
Due from Open Space Fund	C	154,356.64	154,356.64
		<u>\$ 41,844,605.68</u>	<u>\$ 38,566,362.23</u>
Liabilities, Reserves and Fund Balance:			
Due to Current Fund	SC-5	\$ -	\$ 64,469.58
Due to Federal and State Grant Fund	SC-5	-	127,500.00
Due to Trust Other Fund	SC-1	-	100,000.00
Encumbrances Payable	SC-8	12,550,374.07	14,101,752.21
Capital Improvement Fund	SC-7	11,233.35	111,233.35
Reserve for Developer's Deposits	C	173,465.05	173,465.05
Reserve for Debt Service	SC-8	30,116.96	-
Improvement Authorizations:			
Funded	SC-8	231,589.71	211,455.13
Unfunded	SC-8	5,944,070.30	3,008,877.27
General Serial Bonds	SC-9	12,845,000.00	13,895,000.00
Green Trust Loan Payable	SC-10	153,691.34	184,357.51
Bond Anticipation Notes	SC-11	9,825,000.00	6,500,000.00
Fund Balance	C-1	80,064.90	88,252.13
		<u>\$ 41,844,605.68</u>	<u>\$ 38,566,362.23</u>

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

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2020

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Balance December 31, 2019		\$	88,252.13
Increased by:			
Premium on Sale of Bond Anticipation Note	\$		48,531.25
Improvements Authorizations Canceled		<u>31,533.65</u>	
			<u>80,064.90</u>
			168,317.03
Decreased by:			
Appropriated in Current Fund Budget			<u>88,252.13</u>
Balance December 31, 2020		\$	<u><u>80,064.90</u></u>

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

**TOWNSHIP OF WOOLWICH**  
GENERAL FIXED ASSET GROUP OF ACCOUNTS  
Schedule of General Fixed Asset Group of Accounts - Regulatory Basis  
As of December 31, 2020

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	<u>Balance Dec. 31, 2020</u>
General Fixed Assets:	
Land	\$ 4,928,200.00
Buildings and Improvements	5,470,800.00
Machinery and Equipment	<u>3,631,077.00</u>
Total General Fixed Assets	<u>\$ 14,030,077.00</u>
Total Investment in General Fixed Assets	<u>\$ 14,030,077.00</u>

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

**TOWNSHIP OF WOOLWICH**  
Notes to Financial Statements  
For the Year Ended December 31, 2020

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Woolwich (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 17, 1767 from portions of Greenwich Township. The Township, located in Gloucester County, New Jersey, has a total area of approximately twenty-one square miles, and is located approximately twenty miles southeast of the City of Philadelphia. The Township borders the Gloucester County Townships of East Greenwich, Harrison, Logan, and South Harrison; and the Salem County Townships of Oldmans and Pilesgrove. The Township also surrounds the Borough of Swedesboro. According to the 2020 census, the population is 12,577.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* (the "Requirements") 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* 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 States 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 and an account group 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 Funds** - 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 Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its current and municipal open space funds 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 of each year. At introduction, the governing body shall 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 the Division of Local Government Services, with the permission of the Local Finance Board.

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

**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 cost; therefore, unrealized gains or losses on investments have not been recorded.

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), 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. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, 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 include 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 municipality 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 asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

**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.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

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

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is 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 to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Property Tax Revenues** - 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 Consolidated School District and the Kingsway Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Swedesboro-Woolwich Consolidated School District and the Kingsway Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the regional high school district for the period from January 1 to December 31 and for the consolidated school district, the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

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

**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** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are 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 canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Compensated Absences and Postemployment 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 postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2020, the Township's bank balances of \$16,849,972.47 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 15,682,077.74
Uninsured and Uncollateralized	<u>1,167,894.73</u>
Total	<u><u>\$ 16,849,972.47</u></u>

**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 3.431</u>	<u>\$ 3.756</u>	<u>\$ 3.741</u>	<u>\$ 3.668</u>	<u>\$ 3.632</u>
Apportionment of Tax Rate:					
Municipal	\$ .511	\$ .555	\$ .527	\$ .507	\$ .508
Municipal Open Space	.050	.050	.049	.050	.050
County	.744	.836	.810	.785	.768
Local School	1.271	1.364	1.423	1.415	1.423
Regional School	.855	.951	.932	.911	.883

**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2020	\$ 1,347,561,510.00
2019	1,175,212,910.00
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>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 46,924,723.49	\$ 46,419,253.92	98.92%
2019	44,660,055.80	44,059,702.65	98.66%
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	98.50%

**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>
2020	\$ 260,520.62	\$ 515,468.53	\$ 775,989.15	1.65%
2019	242,379.56	553,998.14	796,377.70	1.78%
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%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2020	63
2019	12
2018	9
2017	11
2016	13

**Note 4: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 2,565,879.07	\$ 1,964,000.00	76.54%
2019	2,407,705.15	1,895,000.00	78.71%
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%

**Note 5: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 74,953.40	\$ 430,022.84
Federal and State Grant	411,553.48	
Trust - Animal Control		94.24
Trust - Municipal Open Space	7,938.94	154,356.64
Trust - Other		74,859.16
General Capital	164,887.06	
Totals	<u>\$ 659,332.88</u>	<u>\$ 659,332.88</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2021, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 6: PENSION PLANS**

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** -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 years or more 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.

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 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 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 of 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.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2020 was 16.24% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$184,875.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$160,099.00, which was paid on April 1, 2020. Employee contributions to the Plan for the year ended December 31, 2020 were \$91,850.94.

**Police and Firemen's Retirement System** - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

*Special Funding Situation Component* - 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 nonemployer 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 or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2020 was 31.11% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$672,539.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$535,283.00, which was paid on April 1, 2020. Employee contributions to the Plan for the year ended December 31, 2020 were \$221,142.67.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2020 was 4.30% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$92,894.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 was \$68,997.00, which was paid on April 1, 2020.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2020, employee contributions totaled \$515.24, and the Township's contributions were \$281.09. There were no forfeitures during the year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

**Pension Liability** - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$2,755,911.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was .0168997737%, which was an increase of .0004406285% from its proportion measured as of June 30, 2019.



**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Pension Expense** - For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$96,553.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PERS was \$160,099.00, and was paid on April 1, 2020.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2020, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 7,778,659.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,207,212.00</u>
	<u>\$ 8,985,871.00</u>

**Pension Liability** - The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was .0602001921%, which was an increase of .0072076780% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was .0602001921%, which was an increase of .0072076780% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

**Pension Expense** - For the year ended December 31, 2020, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$946,732.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PFRS was \$535,283.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date, was \$136,813.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 50,181.00	\$ 78,422.00	\$ 128,603.00	\$ 9,746.00	\$ 27,917.00	\$ 37,663.00
Changes of Assumptions	89,405.00	19,575.00	108,980.00	1,153,926.00	2,085,412.00	3,239,338.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	94,199.00	456,099.00	550,298.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	261,528.00	1,593,847.00	1,855,375.00	217,350.00	-	217,350.00
Township Contributions Subsequent to the Measurement Date	92,438.00	336,270.00	428,708.00	-	-	-
	<u>\$ 587,751.00</u>	<u>\$ 2,484,213.00</u>	<u>\$ 3,071,964.00</u>	<u>\$ 1,381,022.00</u>	<u>\$ 2,113,329.00</u>	<u>\$ 3,494,351.00</u>

Deferred outflows of resources in the amounts of \$92,438.00 and \$336,270.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

**Note 6: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2021	\$ (358,156.00)	\$ (281,218.00)	\$ (639,374.00)
2022	(295,844.00)	(122,676.00)	(418,520.00)
2023	(157,074.00)	128,877.00	(28,197.00)
2024	(61,953.00)	199,751.00	137,798.00
2025	(12,682.00)	109,880.00	97,198.00
	<u>\$ (885,709.00)</u>	<u>\$ 34,614.00</u>	<u>\$ (851,095.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

<sup>(1)</sup> based on years of service

**Note 6: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**Police and Firemen's Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of 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' and PFRS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

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

**Note 6: PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

**Discount Rate -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Police and Firemen's Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, 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% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 3,469,232.00	\$ 2,755,911.00	\$ 2,150,639.00

**Note 6: PENSION PLANS (CONT'D)****Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 10,344,015.00	\$ 7,778,659.00	\$ 5,647,934.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,605,344.00</u>	<u>1,207,212.00</u>	<u>876,534.00</u>
	<u>\$ 11,949,359.00</u>	<u>\$ 8,985,871.00</u>	<u>\$ 6,524,468.00</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0168997737%	0.0164591452%	0.0173703639%	0.0156472435%
Township's Proportionate Share of the Net Pension Liability	\$ 2,755,911.00	\$ 2,965,688.00	\$ 3,420,138.00	\$ 3,642,428.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,195,880.00	\$ 1,148,968.00	\$ 1,166,584.00	\$ 1,071,148.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	230.45%	258.12%	293.18%	340.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0171765481%	0.0171832657%	0.0149843718%	0.0157604803%
Township's Proportionate Share of the Net Pension Liability	\$ 5,087,201.00	\$ 3,857,299.00	\$ 2,805,484.00	\$ 3,012,141.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,194,272.00	\$ 1,168,244.00	\$ 1,052,628.00	\$ 1,093,608.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	425.97%	330.18%	266.52%	275.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%



**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 184,875.00	\$ 160,099.00	\$ 172,779.00	\$ 144,955.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>\$ (184,875.00)</u>	<u>\$ (160,099.00)</u>	<u>(172,779.00)</u>	<u>(144,955.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,138,503.00	\$ 1,144,425.00	\$ 1,150,333.00	\$ 1,119,521.00
Township's Contributions as a Percentage of Covered Payroll	16.24%	13.99%	15.02%	12.95%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 152,594.00	\$ 147,730.00	\$ 123,529.00	\$ 118,752.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(152,594.00)</u>	<u>(147,730.00)</u>	<u>(123,529.00)</u>	<u>(118,752.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,061,308.00	\$ 1,202,760.00	\$ 1,174,569.00	\$ 1,098,554.00
Township's Contributions as a Percentage of Covered Payroll	14.38%	12.28%	10.52%	10.81%

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0602001921%	0.0529925141%	0.0497054494%	0.0473899721%
Township's Proportionate Share of the Net Pension Liability	\$ 7,778,659.00	\$ 6,485,128.00	\$ 6,725,967.00	\$ 7,316,095.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,207,212.00	1,024,014.00	913,611.00	819,464.00
<b>Total</b>	<b>\$ 8,985,871.00</b>	<b>\$ 7,509,142.00</b>	<b>\$ 7,639,578.00</b>	<b>\$ 8,135,559.00</b>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,014,072.00	\$ 1,582,796.00	\$ 1,630,020.00	\$ 1,533,896.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	386.22%	409.73%	412.63%	476.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0459970966%	0.0417098663%	0.0392311073%	0.0411755980%
Township's Proportionate Share of the Net Pension Liability	\$ 8,786,622.00	\$ 6,947,410.00	\$ 4,934,909.00	\$ 5,473,924.00
State's Proportionate Share of the Net Pension Liability associated with the Township	737,858.00	609,265.00	531,407.00	510,236.00
<b>Total</b>	<b>\$ 9,524,480.00</b>	<b>\$ 7,556,675.00</b>	<b>\$ 5,466,316.00</b>	<b>\$ 5,984,160.00</b>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,470,180.00	\$ 1,320,876.00	\$ 1,239,108.00	\$ 1,383,104.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.66%	525.97%	398.26%	395.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 672,539.00	\$ 535,283.00	\$ 485,944.00	\$ 419,410.00
Township's Contribution in Relation to the Contractually Required Contribution	(672,539.00)	(535,283.00)	(485,944.00)	(419,410.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,161,921.00	\$ 2,028,428.00	\$ 1,738,352.00	\$ 1,685,663.00
Township's Contributions as a Percentage of Covered Payroll	31.11%	26.39%	27.95%	24.88%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 375,033.00	\$ 339,039.00	\$ 301,322.00	\$ 300,408.00
Township's Contribution in Relation to the Contractually Required Contribution	(375,033.00)	(339,039.00)	(301,322.00)	(300,408.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,527,330.00	\$ 1,469,587.00	\$ 1,333,003.00	\$ 1,244,497.00
Township's Contributions as a Percentage of Covered Payroll	24.55%	23.07%	22.60%	24.14%

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

***Police and Firemen's Retirement System (PFRS)***Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

**Note 6: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2020 was not available; therefore, the information from the measurement period June 30, 2019 is disclosed below.

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The Township does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain Township retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the Township, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which 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. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. 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 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.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the OPEB Plan (Cont'd)**

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

*Special Funding Situation Component* - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

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% 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, the Township is 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 Township does 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 Township is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Township,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the Township, and
- c) the State's proportionate share of the OPEB (benefit) expense that is associated with the Township.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township, is \$66,336.00 for the year ended December 31, 2019 representing 3.27% of the Township's covered payroll.

**OPEB Liability and OPEB (Benefit) Expense**

**OPEB Liability** - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the Township is \$5,004,533.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The State's proportion of the net OPEB liability, on-behalf of the Township, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was .090568% which was an increase of .002589% from its proportion measured as of the June 30, 2018 measurement date.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability and OPEB (Benefit) Expense (Cont'd)**

**OPEB (Benefit) Expense** - At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date, is \$66,336.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Not Applicable Under Special Funding Situation	
PFRS:	
Rate for all Years	3.25% to 15.25%
* Salary Increases are Based on Years of Service Within the Respective Plan	

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.



**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 5,786,513.00</u>	<u>\$ 5,004,533.00</u>	<u>\$ 4,369,071.00</u>

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 4,223,209.00</u>	<u>\$ 5,004,533.00</u>	<u>\$ 6,001,243.00</u>

**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Supplementary OPEB Information**

In accordance with GASB No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)*****Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Township (Last Three Plan Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportion of the Net OPEB Liability Associated with the Township	100.00%	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Township's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	5,004,533.00	5,466,878.00	6,560,254.00
Total	<u>\$ 5,004,533.00</u>	<u>\$ 5,466,878.00</u>	<u>\$ 6,560,254.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,907,457.00	\$ 1,730,364.00	\$ 1,568,308.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	262.367%	315.938%	418.301%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

***Schedule of the State's Contributions Associated with the Township (Last Three Years)***

The amount of actual contributions that the State made on-behalf of the Township is not known.

**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

**Changes in Assumptions**

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS experience study. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

**Note 8: COMPENSATED ABSENCES**

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

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

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$119,083.68.

**Note 9: 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 benefit 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 10: LEASE OBLIGATIONS**

At December 31, 2020, the Township had lease agreements in effect for the following:

Operating: Sixteen (16) Vehicles

**Operating Leases** - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 95,947.32
2022	92,496.36
2023	92,496.36
2024	63,913.93
2025	32,581.46

Rental payments under operating leases for the year 2020 were \$73,336.04.

**Note 11: CAPITAL DEBT****General Obligation Bonds**

General Obligation Refunding Bonds, Series 2015 - On April 15, 2015, the Township issued \$4,580,000.00 in general obligation refunding bonds, with an interest rate of 3.0%, to advance refund \$4,470,000.00 of the outstanding 2006 general improvement bonds with an interest rate of 4.0%. The final maturity of the bonds is December 15, 2025.

General Obligation Bonds, Series 2016 – On October 13, 2016, the Township issued \$5,500,000.00 of General Obligation Bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding the completion of various capital improvements and acquisition of various capital equipment within the Township. The final maturity of the bonds is October 1, 2036.

General Obligation Refunding Bonds, Series 2017 – On August 23, 2017, the Township issued \$6,535,000.00 in general obligation refunding bonds, with interest rates ranging from 2.0% to 4.0%, to advance refund \$8,350,000.00 of the outstanding 2007 guaranteed lease revenue bonds. The final maturity of the bonds is June 1, 2032.

The following schedule represents the remaining debt service, through maturity, for the general obligation bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,180,000.00	303,650.00	1,483,650.00
2025	1,225,000.00	261,500.00	1,486,500.00
2026-2030	4,030,000.00	854,225.00	4,884,225.00
2031-2035	2,730,000.00	232,187.50	2,962,187.50
2036	325,000.00	9,750.00	334,750.00
Totals	<u>\$ 12,845,000.00</u>	<u>\$ 2,806,012.50</u>	<u>\$ 15,651,012.50</u>

**General Debt – Green Trust Loan Program**

On January 4, 2002, the Township settled on a loan agreement with the New Jersey Department of Environmental Protection in the amount of \$150,000.00, at an interest rate of 2.0%. The proceeds were used to partial fund the construction of the Locke Avenue Park. Semiannual debt payments are due July 12<sup>th</sup> and January 12<sup>th</sup> through 2022.

On April 26, 2007, the Township settled on a loan agreement with the New Jersey Department of Environmental Protection in the amount of \$400,000.00, at an interest rate of 2.0%. The proceeds were used to partial fund the construction of the Delmonte Park Expansion. Semiannual debt payments are due April 26<sup>th</sup> and October 26<sup>th</sup> through 2026.

**Note 11: CAPITAL DEBT (CONT'D)****General Debt – Green Trust Loan Program (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres Trust loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 31,282.56	\$ 2,918.18	\$ 34,200.74
2022	27,247.61	2,289.39	29,537.00
2023	23,084.91	1,788.35	24,873.26
2024	23,548.91	1,324.35	24,873.26
2025	24,022.24	851.02	24,873.26
2026	24,505.11	368.15	24,873.26
Totals	<u>\$ 153,691.34</u>	<u>\$ 9,539.44</u>	<u>\$ 163,230.78</u>

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 22,823,691.34	\$ 20,579,357.51	\$ 15,124,419.43
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	14,721,750.00	14,721,750.00	20,400,000.00
<b>Net Debt</b>	<u>\$ 37,545,441.34</u>	<u>\$ 35,301,107.51</u>	<u>\$ 35,524,419.43</u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.797%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 39,449,004.38	\$ 39,449,004.38	
General	37,545,441.34		\$ 37,545,441.34
	<u>\$ 76,994,445.72</u>	<u>\$ 39,449,004.38</u>	<u>\$ 37,545,441.34</u>

Net debt \$37,545,441.34 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,342,209,852.00, equals 2.797%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 46,977,344.82
Less: Net Debt	<u>37,545,441.34</u>
Remaining Borrowing Power	<u>\$ 9,431,903.48</u>

**Note 12: SCHOOL TAXES**

Kingsway Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 8,560,330.80	\$ 8,012,905.80
Deferred	<u>5,410,504.32</u>	<u>5,410,504.32</u>
Taxes Payable	<u>\$ 3,149,826.48</u>	<u>\$ 2,602,401.48</u>

**Note 13: 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.

**New Jersey Unemployment Compensation Insurance** - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 10,000.00	-	\$ 14.40	\$ 1,976.72	\$ 8,059.78
2019	-	-	27.92	4,624.87	22.10
2018	5,000.00	-	2.07	3,818.28	3,619.05

It is estimated that there were no unreimbursed payments on behalf of the Township at December 31, 2020.

**Joint Insurance Pool** - The Township of Woolwich is a member of the Gloucester, Salem, Cumberland Counties Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation including Employer's Liability
- General Liability including Police Professional and Employee Benefit Liability
- Automobile Liability
- Blanket Crime including Public Employee Dishonesty
- Property Including Boiler and Machinery
- Public Officials and Employment Practices Liability
- Volunteer Directors and Officers Liability
- Cyber Liability

**Note 13: RISK MANAGEMENT (CONT'D)****Joint Insurance Pool (Cont'd)**

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation  
 Excess General Liability  
 Non-Owned Aircraft Liability  
 Excess Auto Liability  
 Fidelity and Performance (Blanket)  
 Excess Property including Boiler and Machinery  
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

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, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund  
 P.O. Box 490  
 Marlton, New Jersey 08053

**Note 14: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 4, 1997 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Woolwich Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed five cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Woolwich Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 15: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

**Note 15: CONTINGENCIES (CONT'D)**

**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.

**Note 16: CONCENTRATIONS**

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 17: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2020, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material.

**Authorization of Debt** - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	9/7/2021	\$ 736,250.00
Completion of Various Sewer Infrastructure Improvements as Part of the Kings Landing Redevelopment Plan	9/7/2021	9,068,496.00

**COVID-19** - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2021.



**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Current Cash -- Chief Financial Officer  
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	6,380,697.06
Increased by Receipts:			
Tax Collector	\$	47,341,587.18	
Revenue Accounts Receivable		2,275,923.87	
Miscellaneous Revenue Not Anticipated		420,902.72	
Due from State of New Jersey		49,625.00	
Federal and State Grants Receivable		27,710.79	
Due Trust Other Fund		12,395.21	
Due General Capital Fund		202,500.00	
		50,330,644.77	
			56,711,341.83
Decreased by Disbursements:			
2019 Appropriation Reserves		372,691.05	
2020 Appropriations		9,432,121.99	
County Taxes		10,008,553.40	
Due County for Added and Omitted Taxes		113,221.02	
Local District School Tax		16,573,236.00	
Regional School District Tax		11,526,096.54	
Municipal Open Space Tax		673,000.00	
Refund Tax Overpayments		79,284.81	
Federal and State Grants Expenditures		20,611.61	
Accounts Payable		1,244.00	
Due Trust Other Fund		535.00	
		48,800,595.42	
Balance December 31, 2020		\$	7,910,746.41

**TOWNSHIP OF WOOLWICH**  
CURRENT FUND  
Statement of Current Cash --Tax Collector  
For the Year Ended December 31, 2020

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## Increased by:

Taxes Receivable	\$ 46,528,817.13	
Tax Title Liens Receivable	13,322.53	
Prepaid Taxes	590,949.21	
Tax Overpayments	100,743.81	
Revenue Accounts Receivable	<u>107,754.50</u>	
		\$ 47,341,587.18

## Decreased by:

Payments to Chief Financial Officer		\$ <u><u>47,341,587.18</u></u>
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**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2020

Year	Balance	2020 Levy	Added Taxes	Collections		Over-Payments Applied	Cancelled	Transferred To Tax Title Liens	Balance
	Dec. 31, 2019			2019	2020				Dec. 31, 2020
2012	\$ 327.49						\$ 327.49		
2013	4,277.22								\$ 4,277.22
2014	8,338.96								8,338.96
2015	8,776.68						8,776.68		
2016	21,776.62						14,705.12		7,071.50
2017	1,103.26				\$ 246.64		856.62		
2018	27,744.26				3,571.49		0.72		24,172.05
2019	481,653.65		\$ 750.00		431,710.85		10,978.32	\$ 10,651.63	29,062.85
	553,998.14	-	750.00	-	435,528.98	-	35,644.95	10,651.63	72,922.58
2020		\$ 46,924,723.49		\$ 274,340.77	46,144,913.15		36,878.90	26,044.72	442,545.95
	\$ 553,998.14	\$ 46,924,723.49	\$ 750.00	\$ 274,340.77	\$ 46,580,442.13	\$ -	\$ 72,523.85	\$ 36,696.35	\$ 515,468.53

Taxes Receivable \$ 46,528,817.13  
 Senior Citizens and Veterans 51,625.00  
\$ 46,580,442.13

Analysis of 2020 Property Tax Levy

Tax Yield:  
 General Property Tax \$ 46,247,212.52  
 Added Taxes (54:4-63.1 et. seq.) 677,510.97  
\$ 46,924,723.49

Tax Levy:  
 Local School District Tax \$ 17,120,661.00  
 Regional School Tax 11,526,096.54  
\$ 28,646,757.54  
 County Taxes:  
 County Tax 10,008,553.40  
 Due County for Added Taxes 147,479.21  
 10,156,032.61  
 Municipal Open Space Tax:  
 Municipal Open Space Tax 675,448.00  
 Due Municipal Open Space for Added Taxes 9,623.32  
 685,071.32  
 Local Tax for Municipal Purposes 6,891,197.12  
 Add: Additional Tax Levied 545,664.90  
7,436,862.02  
\$ 46,924,723.49

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
 Statement of Tax Title Liens  
 For the Year Ended December 31, 2020

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Balance December 31, 2019		\$ 242,379.56
Increased by:		
Transfers from Taxes Receivable	\$ 36,696.35	
Interest and Costs on Sale	<u>3,215.80</u>	
		<u>39,912.15</u>
		282,291.71
Decreased by:		
Collections	13,322.53	
Canceled	<u>8,448.56</u>	
		<u>21,771.09</u>
Balance December 31, 2020		\$ <u><u>260,520.62</u></u>

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
 Statement of Revenue Accounts Receivable  
 For the Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u> <u>In 2020</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Miscellaneous Revenue Anticipated:				
Fines and Costs:				
Municipal Court	\$ 11,852.78	\$ 77,026.03	\$ 85,099.60	\$ 3,779.21
Interest and Costs on Taxes		107,754.50	107,754.50	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		414,808.99	414,808.99	
Garden State Trust Fund		5,939.00	5,939.00	
Kingsway Regional High School District Interlocal		148,684.00	148,684.00	
Swedesboro/Woolwich School District		34,239.00	34,239.00	
Borough of Swedesboro Interlocal:				
Aid to Volunteer Fire Company		8,000.00	8,000.00	
Police Coverage and Protection		662,500.00	662,500.00	
Township of South Harrison:				
Police Coverage and Protection		447,451.15	447,451.15	
Reserve to Pay Debt Service		88,252.13	88,252.13	
Interfund Receivable - UCC		35,000.00	35,000.00	
Interfund Receivable - Open Space Fund		345,950.00	345,950.00	
	<u>\$ 11,852.78</u>	<u>\$ 2,375,604.80</u>	<u>\$ 2,383,678.37</u>	<u>\$ 3,779.21</u>
			\$ 2,275,923.87	
			<u>107,754.50</u>	
			<u>\$ 2,383,678.37</u>	

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
<b>OPERATIONS -- WITHIN "CAPS"</b>					
General Administration					
Salaries and Wages		\$ 0.02	\$ 0.02		\$ 0.02
Other Expenses	\$ 94.04	815.49	909.53	\$ 570.56	338.97
Mayor and Township Committee:					
Other Expenses		8.21	8.21		8.21
Municipal Clerk:					
Salaries and Wages		1,212.37	1,212.37		1,212.37
Other Expenses	253.68	226.91	480.59	307.07	173.52
Financial Administration:					
Salaries and Wages		6,684.67	1,184.67	1,178.00	6.67
Other Expenses	1,357.53	8,960.22	11,817.75	11,739.53	78.22
Revenue Administration:					
Other Expenses		3.67	3.67		3.67
Legal Services and Costs:					
Other Expenses	54,999.81	16,869.75	85,869.56	76,143.41	9,726.15
Engineering Services and Costs:					
Other Expenses		4,082.86	4,082.86	2,006.00	2,076.86
Economic Development:					
Other Expenses	5,860.00	1,826.25	7,686.25	5,860.00	1,826.25
Planning Board					
Miscellaneous Other Expenditures	94.64	2,810.78	34,405.42	34,323.16	82.26
Zoning Board:					
Salaries and Wages		1,049.71	1,049.71		1,049.71
Other Expenses		479.51	479.51		479.51
Office of Community Development					
Salaries and Wages		0.08	0.08		0.08
Other Expenses		7.87	7.87		7.87
Insurance:					
Worker's Compensation		12.00	12.00		12.00
Employee Group Health	1,790.00	11,074.57	2,864.57	2,644.00	220.57
Employee Health Benefits - Optional Cash Payment		29,954.91	15,354.91	3,392.22	11,962.69
Department of Public Safety:					
Police:					
Salaries and Wages		4,925.71	25.71		25.71
Other Expenses	20,184.86	1,905.09	24,989.95	24,551.37	438.58
Office of Emergency Management					
Other Expenses		510.75	510.75		510.75
Aid to Volunteer Fire Company					
Other Expenses	2,790.79	1,040.00	3,830.79	3,194.15	636.64
Municipal Prosecutor:					
Salaries and Wages		42.21	42.21		42.21
Department of Public Works:					
Streets and Road Maintenance					
Other Expenses	3,361.70	11,330.11	9,691.81	942.42	8,749.39
Snow Removal					
Salaries and Wages		2,500.00	2,500.00	2,500.00	
Other Expenses	198.20	97.20	295.40	97.20	198.20
Solid Waste Collection:					
Other Expenses	2,310.00	123,384.21	125,694.21	49,981.74	75,712.47
Public Building and Grounds					
Other Expenses	10,000.92	16,510.01	19,010.93	13,362.35	5,648.58
Vehicle Maintenance					
Other Expenses	7,358.39	14,884.10	19,742.49	12,606.57	7,135.92
Health & Human Services Functions:					
Public Health Services					
Salaries and Wages		0.01	0.01		0.01
Other Expenses		195.00	195.00		195.00
Environmental Committee					
Other Expenses	350.00	138.62	488.62		488.62

(Continued)



**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>					
Maintenance of Parks					
Other Expenses	\$ 4,366.16	\$ 8,371.09	\$ 15,037.25	\$ 13,990.11	\$ 1,047.14
Celebration of Public Events					
Other Expenses		173.51	173.51		173.51
Unclassified:					
Gasoline		11,175.42	6,175.42	4,434.44	1,740.98
Electricity		13,012.43	14,112.43	14,038.97	73.46
Telephone		4,009.95	2,009.95	1,890.72	119.23
Street Lighting		9,096.60	23,296.60	20,846.33	2,450.27
Water/Fire Hydrant Service	523.84	27,467.15	26,290.99	25,759.46	531.53
Heating		3,493.88	1,493.88	453.44	1,040.44
Cable TV & Internet		247.32	247.32	148.35	98.97
Landfill/Solidwaste Disposal Costs					
Other Expenses		72,933.99	62,633.99	42,436.25	20,197.74
Recycling					
Other Expenses		441.45	441.45		441.45
Salary and Wage Adjustment Account					
Salaries and Wages		529.23	6,529.23	5,463.78	1,065.45
Municipal Court:					
Salaries and Wages		326.23	326.23		326.23
Other Expenses	1,530.32	6,330.35	5,360.67	5,310.58	50.09
Public Defender:					
Salaries and Wages		2,200.00	2,200.00		2,200.00
<b>Total Operations Within "CAPS"</b>	<u>117,424.88</u>	<u>423,351.47</u>	<u>540,776.35</u>	<u>380,172.18</u>	<u>160,604.17</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES-WITHIN CAPS</b>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		10,816.58	10,816.58	10,000.00	816.58
Defined Contributions Retirement Program		380.34	380.34		380.34
Public Employee Retirement System		10.00	10.00		10.00
<b>Total Deferred Charges and Statutory Expenditures - Within "CAPS"</b>	<u>-</u>	<u>11,206.92</u>	<u>11,206.92</u>	<u>10,000.00</u>	<u>1,206.92</u>
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<u>117,424.88</u>	<u>434,558.39</u>	<u>551,983.27</u>	<u>390,172.18</u>	<u>161,811.09</u>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Interlocal Municipal Services Agreements:					
Kingsway Regional High School District:					
Salaries and Wages		4,737.50	4,737.50		4,737.50
Borough of Swedesboro					
Recreation Other Expenses	99.00	330.92	429.92	429.92	
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<u>99.00</u>	<u>5,068.42</u>	<u>5,167.42</u>	<u>429.92</u>	<u>4,737.50</u>
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<u>99.00</u>	<u>5,068.42</u>	<u>5,167.42</u>	<u>429.92</u>	<u>4,737.50</u>
<b>Grand Total</b>	<u>\$ 117,523.88</u>	<u>\$ 439,626.81</u>	<u>\$ 557,150.69</u>	<u>\$ 390,602.10</u>	<u>\$ 166,548.59</u>
				Cash Disbursements	\$ 372,691.05
				Accounts Payable	17,911.05
				<u>\$ 390,602.10</u>	

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**

Statement of Due State of New Jersey - Veterans' And Senior Citizens' Deductions  
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	11,954.30
Increased by:			
Received from State of New Jersey	\$	49,625.00	
Deductions Disallowed by Collector - 2020 Taxes		250.00	
Deductions Disallowed by Collector - 2019 Taxes		750.00	
		50,625.00	50,625.00
			62,579.30
Decreased by:			
Deductions per Tax Billing:			
Senior Citizens		6,625.00	
Veterans		43,500.00	
Deductions Allowed by Collector - 2020 Taxes		1,750.00	
		51,875.00	51,875.00
Balance December 31, 2020		\$	10,704.30
<u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$	50,125.00	
Senior Citizens' and Veterans'			
Deductions Allowed by Tax Collector - 2020		1,750.00	
		51,875.00	\$ 51,875.00
Less:			
Senior Citizens' and Veterans'			
Deductions Disallowed by Tax Collector - 2020			250.00
			250.00
			\$ 51,625.00

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2020

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Balance December 31, 2019 (2020 Taxes)	\$	274,340.77
Increased by:		
Collection (2021 Taxes)		<u>590,949.21</u>
		865,289.98
Decreased by:		
Application to 2020 Taxes		<u>274,340.77</u>
Balance December 31, 2020 (2021 Taxes)	\$	<u><u>590,949.21</u></u>

Exhibit SA-9

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2020

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Balance December 31, 2019	\$	19,844.28
Increased by:		
Overpayments Received		<u>100,743.81</u>
		120,588.09
Decreased by:		
Refunded		<u>79,284.81</u>
Balance December 31, 2020	\$	<u><u>41,303.28</u></u>

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2020

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Increased by:			
2020 Levy -			
County General	\$	8,862,797.15	
County Library		611,545.17	
County Open Space		<u>534,211.08</u>	
			\$ 10,008,553.40
Decreased by:			
Disbursements			<u>\$ 10,008,553.40</u>

Exhibit SA-11

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Amount Due to County for Added and Omitted Taxes  
For the Year Ended December 31, 2020

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Balance December 31, 2019	\$	113,221.02
Increased by:		
Added Taxes -- 2020 (R.S. 54:4-63.1 et seq.)		<u>147,479.21</u>
		260,700.23
Decreased by:		
Disbursements		<u>113,221.02</u>
Balance December 31, 2020	\$	<u>147,479.21</u>

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Local School District Tax  
For the Year Ended December 31, 2020

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Balance December 31, 2019		
School Tax Payable	\$ 2,602,401.48	
Deferred School Tax Payable	<u>5,410,504.32</u>	
		\$ 8,012,905.80
Increased by:		
Levy-School Year July 1, 2020 to June 30, 2021		<u>17,120,661.00</u>
		25,133,566.80
Decreased by:		
Disbursements		<u>16,573,236.00</u>
Balance December 31, 2020		
School Tax Payable	3,149,826.48	
Deferred School Tax Payable	<u>5,410,504.32</u>	
		<u>\$ 8,560,330.80</u>
<u>2020 Liability for Local School Tax:</u>		
Tax Paid		\$ 16,573,236.00
Tax Payable December 31, 2020		<u>3,149,826.48</u>
		19,723,062.48
Less:		
Tax Payable December 31, 2019		<u>2,602,401.48</u>
Amount Charged to 2020 Operations		<u>\$ 17,120,661.00</u>

Exhibit SA-13

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Regional High School District Tax  
For the Year Ended December 31, 2020

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Increased by:		
Levy -- Calendar Year		\$ 11,526,096.54
Decreased by:		
Disbursements		<u>\$ 11,526,096.54</u>

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Municipal Open Space Tax  
For the Year Ended December 31, 2020

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Increased by:			
Levy			\$ 675,448.00
Decreased by:			
Disbursements	\$ 673,000.00		
Due to Municipal Open Space Fund	<u>2,448.00</u>		
			\$ <u><u>675,448.00</u></u>

**TOWNSHIP OF WOOLWICH**  
**CURRENT FUND**  
Statement of Amount Due to Municipal Open Space for Added and Omitted Taxes  
For the Year Ended December 31, 2020

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Increased by:			
Added Taxes -- 2020 (R.S. 54:4-63.1 et seq.)			\$ 9,623.32
Decreased by:			
Due to Municipal Open Space Fund			\$ <u><u>9,623.32</u></u>

**TOWNSHIP OF WOOLWICH**  
FEDERAL AND STATE GRANT FUND  
Statement of Due Current Fund  
For the Year Ended December 31, 2020

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Balance December 31, 2019		\$ 274,954.30
Increased by:		
Grant Revenues Deposited to Current Fund	\$ 27,710.79	
Local Match Due from Current Fund	2,000.00	
Net with General Capital Fund Interfund	<u>127,500.00</u>	
		<u>157,210.79</u>
		432,165.09
Decreased by:		
Grant Expenditures paid by Current Fund		<u>20,611.61</u>
Balance December 31, 2020		<u><u>\$ 411,553.48</u></u>

**TOWNSHIP OF WOOLWICH**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants				
CDBG	\$ 13,239.20			\$ 13,239.20
Drive Sober or Get Pulled Over		\$ 2,090.00	\$ 2,090.00	
Total Federal Grants	<u>13,239.20</u>	<u>2,090.00</u>	<u>2,090.00</u>	<u>13,239.20</u>
State Grants:				
Alcohol Education Rehabilitation and Enforcement Grant		1,375.34	1,375.34	
Body Armor Grant	515.56	2,598.36	2,598.36	515.56
Clean Communities Program	1,159.63	21,647.09	21,647.09	1,159.63
Drunk Driving Enforcement Fund	1,616.60			1,616.60
Municipal Alliance Grant	15,016.20	8,000.00		23,016.20
Sustainable Jersey Small Grant	10,862.85			10,862.85
NJDOT - Shared Use Path	48,511.75			48,511.75
DVRPC - Master Plan	25,370.66			25,370.66
NJDEP - Recreation Trails Program	6,000.00			6,000.00
Total State Grants	<u>109,053.25</u>	<u>33,620.79</u>	<u>25,620.79</u>	<u>117,053.25</u>
	<u>\$ 122,292.45</u>	<u>\$ 35,710.79</u>	<u>\$ 27,710.79</u>	<u>\$ 130,292.45</u>



**TOWNSHIP OF WOOLWICH**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Unappropriated  
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2020 Budget</u>	<u>Balance Dec. 31, 2020</u>
<b>Federal Grants</b>				
Click It or Ticket Grant	\$ 1,100.00			\$ 1,100.00
Distracted Driving Grant	2,420.00			2,420.00
Drive Sober or Get Pulled Over	<u>3,630.00</u>	\$ 2,090.00		<u>5,720.00</u>
Total Federal Grants	<u>7,150.00</u>	<u>2,090.00</u>	<u>-</u>	<u>9,240.00</u>
<b>State Grants:</b>				
Alcohol, Education, Rehabilitation and Enforcement Grant	1,165.43	1,375.34	\$ 1,165.43	1,375.34
Body Armor Grant		2,598.36	2,598.36	
Clean Communities program	24,009.70	21,647.09	24,009.70	21,647.09
Municipal Alliance Grant		8,000.00	8,000.00	
Recycling Tonnage Grant	<u>46,950.27</u>		<u>46,950.27</u>	
Total State Grants	<u>72,125.40</u>	<u>33,620.79</u>	<u>82,723.76</u>	<u>23,022.43</u>
	<u>\$ 79,275.40</u>	<u>\$ 35,710.79</u>	<u>\$ 82,723.76</u>	<u>\$ 32,262.43</u>

**TOWNSHIP OF WOOLWICH**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Appropriated  
For the Year Ended December 31, 2020

Program	Balance Dec. 31, 2019		Transferred from 2020 Budget Appropriation	Disbursed	Encumbered	Balance Dec. 31, 2020
	Balance	Encumbered				
<b>Federal Grants</b>						
Community Development Block Grant	\$ 1,145.83					\$ 1,145.83
Drive Sober or Get Pulled Over	2,475.00					2,475.00
Municipal Stormwater Regulation Grant	588.50					588.50
NJDEP - Recreation Trails Program	24,000.00					24,000.00
<b>Total Federal Grants</b>	<b>28,209.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,209.33</b>
<b>State Grants:</b>						
Alcohol, Education, Rehabilitation and Enforcement Grant	4,939.91		\$ 1,165.43	\$ 3,784.97		2,320.37
Body Armor Grant	2,099.69		2,598.36	2,598.36		2,099.69
Clean Communities Program	26,900.97	\$ 3,805.00	24,009.70	10,142.51	\$ 4,923.85	39,649.31
DVRPC - Master Plan	621.46					621.46
Jersey Fresh Grant	600.00					600.00
Municipal Alliance Grant	28,409.59	700.00	10,000.00	2,129.97		36,979.62
Recycling Tonnage Grant	14,380.42		46,950.27	1,955.80		59,374.89
SHARE Grant	19,918.99					19,918.99
Sustainable Jersey Small Grant	3,215.00					3,215.00
NJDEP Recreational Trails Program	6,000.00					6,000.00
NJDOT - Shared Use Path	194,047.00					194,047.00
NJDOT - Bikeways	111,623.99					111,623.99
<b>Total State Grants</b>	<b>412,757.02</b>	<b>4,505.00</b>	<b>84,723.76</b>	<b>20,611.61</b>	<b>4,923.85</b>	<b>476,450.32</b>
	<b>\$ 440,966.35</b>	<b>\$ 4,505.00</b>	<b>\$ 84,723.76</b>	<b>\$ 20,611.61</b>	<b>\$ 4,923.85</b>	<b>\$ 504,659.65</b>
Realized as Revenue in 2020 Budget			\$ 82,723.76			
Local Match Due From Current Fund			2,000.00			
			<b>\$ 84,723.76</b>			

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
Statement of Trust Cash - Chief Financial Officer  
For the Year Ended December 31, 2020

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other Trust</u>
Balance December 31, 2019	\$ 6,339.42	\$ 537,745.04	\$ 4,072,043.52
Increased by Receipts:			
Animal Control Fees	\$ 3,696.20		
State Dog License Fees	1,069.80		
Due Current Fund			\$ 3,058.09
Due General Capital			100,000.00
Reserve for Open Space Fund		\$ 675,214.46	
Due from Developers			43,816.42
Due to State of New Jersey			
Uniform Construction Code Training Fees			42,415.00
Miscellaneous Trust Reserves			6,596,959.85
Reserve for Uniform Construction Code Official			665,483.15
	<u>4,766.00</u>	<u>675,214.46</u>	<u>7,451,732.51</u>
	11,105.42	1,212,959.50	11,523,776.03
Decreased by Disbursements:			
Due to State of New Jersey	1,072.20		
Animal Control Fund Expenditures	1,375.89		
Due Current Fund			11,860.21
Municipal Open Space Fund Appropriations:			
2020 Appropriations		594,043.07	
2019 Appropriations		38,832.99	
Due to State of New Jersey			
Uniform Construction Code Training Fees			38,449.00
Encumbrances Payable Paid	4,659.17		1,786.38
Miscellaneous Trust Reserves			7,753,143.86
Reserve for Uniform Construction Code Official			581,017.87
	<u>7,107.26</u>	<u>632,876.06</u>	<u>8,386,257.32</u>
Balance December 31, 2020	<u>\$ 3,998.16</u>	<u>\$ 580,083.44</u>	<u>\$ 3,137,518.71</u>

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
Statement of Trust Cash - Tax Collector  
For the Year Ended December 31, 2020

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Balance December 31, 2019	\$ 175,557.09
Increased by Receipts:	
Miscellaneous Reserves	<u>257,126.04</u>
	432,683.13
Decreased by Disbursements:	
Miscellaneous Reserves	<u>283,726.04</u>
Balance December 31, 2020	<u><u>\$ 148,957.09</u></u>

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
 Schedule of Amount Due to Current Fund -- Animal Control Fund  
 For the Year Ended December 31, 2020

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Balance December 31, 2020 and 2019	\$	<u>94.24</u>
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**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
 Statement of Amount Due to State of New Jersey - Department of Health  
 For the Year Ended December 31, 2020

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Balance December 31, 2019	\$	3.20
Increased by:		
2020 State License Fees	\$	1,069.80
Prior Period Adjustmnet		<u>6.40</u>
		<u>1,076.20</u>
		1,079.40
Decreased by:		
Due to State of New Jersey - Dog Fund		<u>1,072.20</u>
Balance December 31, 2020	\$	<u>7.20</u>

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
 Statement of Reserve for Animal Control Fund  
 For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 1,582.81
Increased by:		
Dog License Fees Collected	\$ 3,547.20	
Late Fees Collected	149.00	
		3,696.20
		5,279.01
Decreased by:		
Animal Control Fund Expenditures - Dog Fund	1,375.89	
Prior Period Adjustment	6.40	
		1,382.29
Balance December 31, 2020		\$ 3,896.72

License Fees Collected

Year	Amount
2019	\$ 4,356.00
2018	5,843.00
	\$ 10,199.00

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
Statement of Due Current Fund -- Municipal Open Space Fund  
For the Year Ended December 31, 2020

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Balance December 31, 2019 (Due to)	\$ 4,132.38
Decreased by:	
Open Space Taxes not Transferred	<u>12,071.32</u>
Balance December 31, 2020 (Due from)	<u><u>\$ 7,938.94</u></u>



**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
 Statement of Appropriation Reserves - Municipal Open Space Fund  
 For the Year Ended December 31, 2020

	Balance Dec. 31, 2019 <u>Encumbered</u>	<u>Reserved</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Development of Lands for Recreation & Conservation	\$ 133,151.58	\$ 23,732.18	\$ 156,883.76	\$ 38,832.99	\$ 118,050.77

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
Statement of Reserve for Future Use - Municipal Open Space Fund  
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 222,372.26
Increased by:		
Amount to be Raised by Taxation	\$ 685,071.32	
Miscellaneous Revenues Not Anticipated	2,214.46	
Unexpended Balance of Appropriation Reserves	118,050.77	
		805,336.55
		1,027,708.81
Decreased by:		
2020 Budget Appropriations:		
Development of Lands for Recreation & Conversation	350,000.00	
Debt Service	345,950.00	
		695,950.00
Balance December 31, 2020		\$ 331,758.81

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
Statement of Due Current Fund -- Trust Other Fund  
For the Year Ended December 31, 2020

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Balance December 31, 2019		\$ 83,661.28
Increased by:		
Interest Earned on Investments - Treasurer		3,058.09
		86,719.37
Decreased by:		
Disbursed to Current Fund	\$ 7,181.47	
Interest Disbursed - Treasurer	4,678.74	
		11,860.21
Balance December 31, 2020		\$ 74,859.16

Exhibit SB-10

**TOWNSHIP OF WOOLWICH**  
**TRUST -- OTHER FUND**  
Statement of Accounts Receivable  
For the Year Ended December 31, 2020

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Balance December 31, 2019		\$ 123,069.16
Decreased by:		
Cash Receipts		43,816.42
Balance December 31, 2020		\$ 79,252.74

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
Statement of Due to State - Uniform Construction Code Training Fees  
For the Year Ended December 31, 2020

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Balance December 31, 2019	\$ 6,251.00
Increased by:	
Receipts	\$ 42,415.00
Prior Period Adjustments	<u>343.00</u>
	<u>42,758.00</u>
	49,009.00
Decreased by:	
Disbursements	<u>38,449.00</u>
Balance December 31, 2020	<u><u>\$ 10,560.00</u></u>

**TOWNSHIP OF WOOLWICH**  
**TRUST - OTHER FUND**  
 Statement of Miscellaneous Trust Reserves  
 For the Year Ended December 31, 2020

	Balance December 31, 2019		Receipts	Disbursements	Year-End Encumbrances	Adjustments	Balance Dec. 31, 2020
	Reserve	Encumbered					
Public Defender	\$ 4,221.26		\$ 2,320.00				\$ 6,541.26
Payroll Deductions Payable	34,166.00		5,422,805.99	\$ 5,408,381.52		\$ 1,000.00	49,590.47
Site Plan Review Escrow	2,095,616.04	\$ 314,924.71	480,655.33	1,623,078.77	\$ 247,744.63		1,020,372.68
Municipal Functions Donations	38,707.14	9,269.63	146,202.34	160,812.34	4,478.22		28,888.55
Police Overtime		192,729.45	398,221.20	432,082.54	158,868.11		
P.O.A.A. - Parking Fines	602.61		14.00	179.88			436.73
Police Forfeited Funds	7,359.59		18.83				7,378.42
Developer's Tree Compensation	304,099.79	9,350.00	273.72	13,400.00	9,570.62		290,752.89
Snow Removal	51,160.83	8,501.86	28,763.85	49,665.45	5,295.96		33,465.13
Developer's Recreation Fees	34,292.95	39,656.00	22,308.89	30,719.15	34,500.00		31,038.69
COAH Fees	364,805.87		29,851.52				394,657.39
Election	1,250.00		5,475.00	4,925.00			1,800.00
Woolwich Recreation Trust	25,656.74	2,790.54	50,034.78	28,922.49	5,992.12		43,567.45
Unemployment Trust	22.10		10,014.40	976.72		(1,000.00)	8,059.78
Deposits for Redemption of Tax Title Liens	9,934.71		180,126.04	180,126.04			9,934.71
Tax Sale Premiums	165,622.38		77,000.00	103,600.00			139,022.38
	<u>\$ 3,137,518.01</u>	<u>\$ 577,222.19</u>	<u>\$ 6,854,085.89</u>	<u>\$ 8,036,869.90</u>	<u>\$ 466,449.66</u>	<u>\$ -</u>	<u>\$ 2,065,506.53</u>
Treasurer			\$ 6,596,959.85	\$ 7,753,143.86			
Tax Collector			<u>257,126.04</u>	<u>283,726.04</u>			
			<u>\$ 6,854,085.89</u>	<u>\$ 8,036,869.90</u>			

**TOWNSHIP OF WOOLWICH**  
**TRUST FUND**  
Statement of Reserve for Uniform Construction Code  
For the Year Ended December 31, 2020

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Balance December 31, 2019		\$ 664,230.91
Increased by:		
Fees - Cash Receipts	\$ 632,702.25	
Shared Services Agreement	32,640.00	
Interest	140.90	
		665,483.15
		1,329,714.06
Decreased by:		
Expenditures:		
Current Year Expenditures	581,360.87	
Encumbrances Payable	87,017.05	
		668,377.92
Balance December 31, 2020		\$ 661,336.14

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash - Chief Financial Officer  
For the Year Ended December 31, 2020

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Balance December 31, 2019		\$ 2,940,741.96
Increased by Receipts:		
Capital Improvement Fund	\$ 90,000.00	
Downpayment on Improvements	175,000.00	
Proceeds from Bond Anticipation Notes Issued	3,325,000.00	
Bond Anticipation Note Premium	<u>48,531.25</u>	
		<u>3,638,531.25</u>
		6,579,273.21
Decreased by Disbursements:		
Due Trust Other Fund	100,000.00	
Improvement Authorizations	2,466,614.40	
Fund Balance Appropriated in Current Fund Budget	<u>88,252.13</u>	
		<u>2,654,866.53</u>
Balance December 31, 2020		<u><u>\$ 3,924,406.68</u></u>



**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2020

	Receipts		Disbursements				Balance Dec. 31, 2020	
	Balance Dec. 31, 2019	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers		
						From		To
Fund Balance	\$ 88,252.13		\$ 48,531.25		\$ 88,252.13	\$ 31,533.65	\$ 80,064.90	
Capital Improvement Fund	111,233.35		90,000.00			\$ 190,000.00	11,233.35	
Encumbrances Payable	14,101,752.21					14,101,752.21	12,550,374.07	
Due Current Fund	64,469.58					202,500.00	127,500.00	
Due Municipal Open Space Trust Fund	(154,356.64)						(10,530.42)	
Due Trust Other Fund - UCC	100,000.00				100,000.00		(154,356.64)	
Due Grant Fund	127,500.00					127,500.00		
Reserve for Payment of Debt							30,116.96	
Reserve for Developer's Deposits	173,465.05						30116.96	
							173,465.05	
<b>Improvement Authorizations:</b>								
<u>Ordinance</u>								
<u>Number</u>								
2010-13 Russell Mill Road Phase 3 & 4	(100,370.60)			\$ 26,728.15		15,271.85	4,070.50	(138,300.10)
2011-08 Public Works Equipment	505.20					505.20		
2012-15 Field Drainage Improvements	12,485.00					12,485.00		
2012-20 Public Works Garage	18,588.00					18,588.00		
13-08 Various Capital Improvement and Equipment							7,099.14	7,099.14
2014-03 Public Works & Fire Safety Equipment	0.45			3,104.70		0.45	3,104.70	
2014-16 Acquisition of Real Property	17,160.50					17,160.50		
2015-14 Public Works Equipment				2,542.82			2,542.82	
2015-16 Roadway Improvements							552.46	552.46
2016-09 Acquisition of Transfer Development Rights	76,518.00							76,518.00
2016-10 Various Capital Improvements	471.46			2,556.58		471.46	55,620.33	53,063.75
2017-16 Various Roadway and Drainage Improvements	15,940.00			3,485.00		12,455.00		
2017-19 Various Sewer Improvements	(12,339,192.10)			534,691.47		10,909,020.83	11,745,662.19	(12,037,242.21)
2018-05 Various Roadway Improvements	1.00						84,499.00	84,500.00
2018-09 Construction and Improvements of Open Space for Recreation	1,744,000.00			229,740.15		357,885.73	776,475.30	1,932,849.42
2018-12 Various Capital Improvements	(371,708.03)			825,471.98		125,373.13	915,229.77	(407,323.37)
2019-11 Emergency Road and Drainage Repairs to Garwin Road	(220,750.00)			234,000.00			234,000.00	(220,750.00)
2019-14 Acquisition of Trash Carts	(525,222.60)			264,106.02		1,602.00	272,896.00	(518,034.62)
2020-12a Various Rd. & Drainage Improvements				2,515.14		361,699.00	302,500.00	(61,714.14)
2020-12b Acquisition of Public Safety Equipment				13,405.09		76,594.91	90,000.00	
2020-13 Road & Drainage Improvements at Various Locations		\$ 3,325,000.00	175,000.00	324,267.30		702,911.62		2,472,821.08
	\$ 2,940,741.96	\$ 3,325,000.00	\$ 313,531.25	\$ 2,466,614.40	\$ 188,252.13	\$ 27,233,776.89	\$ 27,233,776.89	\$ 3,924,406.68

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2020

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Balance December 31, 2019		\$ 14,079,357.51
Decreased by:		
2020 Budget Appropriation to Pay		
General Serial Bonds	\$ 1,050,000.00	
Green Trust Loan Payable	<u>30,666.17</u>	
		<u>1,080,666.17</u>
Balance December 31, 2020		<u><u>\$ 12,998,691.34</u></u>

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Balance Dec. 31, 2020	Analysis of Balance Dec. 31, 2020		Unexpended Improvement Authorization
					Financed by Notes	Expended*	
2017-19	Various Sewer Improvements	\$ 15,400,000.00		\$ 15,400,000.00	\$ 3,000,000.00	\$ 12,037,242.21	362,757.79
2018-09	Construction and Improvements of Open Space for Recreation	3,000,000.00		3,000,000.00	2,500,000.00		500,000.00
2018-12	Various Capital Improvements	2,000,000.00		2,000,000.00	1,000,000.00	407,323.37	592,676.63
2019-11	Emergency Road and Drainage Repairs to Garwin Road	251,750.00		251,750.00		220,750.00	31,000.00
2019-14	Acquisition of Trash Carts	570,000.00		570,000.00		518,034.62	51,965.38
2020-13	Road and Drainage Improvements at Various Locations		\$ 3,325,000.00	3,325,000.00	3,325,000.00		
		<u>\$ 21,221,750.00</u>	<u>\$ 3,325,000.00</u>	<u>\$ 24,546,750.00</u>	<u>\$ 9,825,000.00</u>	<u>\$ 13,183,350.20</u>	<u>\$ 1,538,399.80</u>
							\$ 5,944,070.30
						\$ 1,932,849.42	
						2,472,821.08	
							<u>4,405,670.50</u>
							<u>\$ 1,538,399.80</u>

\* Includes Encumbrances Payable

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2020

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Balance December 31, 2019 (Due To)	\$ 64,469.58
Increased by:	
Net with Federal and State Grant Fund Interfund	<u>127,500.00</u>
	191,969.58
Decreased by:	
State Aid Receivable Deposited to Current Fund	<u>202,500.00</u>
Balance December 31, 2020 (Due From)	<u><u>\$ 10,530.42</u></u>

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of State Aid Receivable  
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 170,156.12
Increased by:		
Department of Transportation Grants Appropriated		270,000.00
		440,156.12
Decreased by:		
Cash Receipts Deposited to Current Fund	\$ 202,500.00	
Canceled	27,785.52	
		230,285.52
Balance December 31, 2020		\$ 209,870.60
Analysis:		
New Jersey Department of Transportation - Russell Mill Road		\$ 142,370.60
New Jersey Department of Transportation -Rainey Road		67,500.00
		\$ 209,870.60

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2020

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Balance December 31, 2019	\$ 111,233.35
Increased by:	
Budget Appropriation	<u>90,000.00</u>
	201,233.35
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>190,000.00</u>
Balance December 31, 2020	<u><u>\$ 11,233.35</u></u>

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2019		Prior Year Encumbrances	2020 Authorizations	Paid or Charged	Canceled by Resolution	Current Year Encumbrances	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded						Funded	Unfunded
2010-13	Russell Mill Road Phase 3 & 4	5/17/10	\$ 420,000.00	\$ 69,785.52		\$ 4,070.50		\$ 26,728.15	\$ 27,785.52	\$ 15,271.85	\$ 4,070.50	
2011-08	Public Works Equipment	7/18/11	88,113.20	505.20					505.20			
2012-15	Field Drainage Improvements	9/17/12	45,000.00	12,485.00					12,485.00			
2012-20	Public Works Garage	12/3/12	324,797.71	18,588.00					18,588.00			
2013-08	Various Capital Improvement and Equipment	9/16/13	380,000.00			7,099.14					7,099.14	
2014-03	Public Works & Fire Safety Equipment	4/7/14	70,000.00	0.45		3,104.70		3,104.70	0.45		(0.00)	
2014-16	Acquisition of Real Property	11/17/14	550,000.00	17,160.50					17,160.50			
2015-14	Public Works Equipment	9/21/15	12,485.00			2,542.82		2,542.82				
2015-16	Roadway Improvements	9/21/15	375,000.00			552.46					552.46	
2016-09	Acquisition of Transfer Development Rights	8/1/16	2,100,000.00	76,518.00							76,518.00	
2016-10	Various Capital Improvements	8/1/16	883,111.00	471.46		55,620.33		2,556.58	471.46		53,063.75	
2017-16	Various Roadway and Drainage Impts.	8/21/17	193,000.00	15,940.00				3,485.00	12,440.00	15.00		
2017-19	Various Sewer Improvements	12/18/17	15,400,000.00		\$ 60,807.90	11,745,662.19		534,691.47		10,909,020.83		\$ 362,757.79
2018-05	Various Roadway Improvements	5/7/18	147,000.00	1.00		84,499.00					84,500.00	
2018-09	Construction and Improvements of Open Space for Recreation	5/21/18	3,250,000.00		2,244,000.00	776,475.30		229,740.15		357,885.73		2,432,849.42
2018-12	Various Capital Improvements	8/20/18	2,125,000.00		628,291.97	915,229.77		825,471.98		125,373.13		592,676.63
2019-11	Emergency Road and Drainage Repairs to Garwin Road	8/5/19	265,000.00		31,000.00	234,000.00		234,000.00				31,000.00
2019-14	Acquisition of Trash Carts	9/3/19	600,000.00		44,777.40	272,896.00		264,106.02		1,602.00	0.00	51,965.38
2020-12a	Various Road and Drainage Improvements		370,000.00				\$ 370,000.00	2,515.14		361,699.00	5,785.86	
2020-12b	Acquisition of Public Safety Equipment		90,000.00				90,000.00	13,405.09		76,594.91		
2020-13	Road and Drainage Improvements at Various Locations		3,500,000.00				3,500,000.00	324,267.30		702,911.62		2,472,821.08
				\$ 211,455.13	\$ 3,008,877.27	\$ 14,101,752.21	\$ 3,960,000.00	\$ 2,466,614.40	\$ 89,436.13	\$ 12,550,374.07	\$ 231,589.71	\$ 5,944,070.30
	Fund Balance								\$ 31,533.65			
	State Aid Receivable						\$ 270,000.00		27,785.52			
	Capital Improvement Fund						190,000.00					
	Downpayment on Improvements						175,000.00					
	Deferred Charges to Future Taxation - Unfunded						3,325,000.00					
	Reserve to Pay Debt Service								30,116.96			
	Cash Disbursements							\$ 2,466,614.40				
							\$ 3,960,000.00	\$ 2,466,614.40	\$ 89,436.13			

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2020

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
General Obligation Refunding Bonds - Series 2015	4/30/2015	\$ 4,580,000.00	12/15/21	\$ 505,000.00	3.000%	\$ 3,120,000.00	\$ 480,000.00	\$ 2,640,000.00
			12/15/22	515,000.00	3.000%			
			12/15/23	525,000.00	3.000%			
			12/15/24	535,000.00	3.000%			
			12/15/25	560,000.00	3.000%			
General Obligation Bonds - Series 2016	10/13/2016	5,500,000.00	10/01/21	215,000.00	4.000%	4,930,000.00	210,000.00	4,720,000.00
			10/01/22	225,000.00	4.000%			
			10/01/23	230,000.00	4.000%			
			10/01/24	235,000.00	4.000%			
			10/01/25	240,000.00	4.000%			
			10/01/26	325,000.00	2.000%			
			10/01/27	325,000.00	2.000%			
			10/01/28	325,000.00	2.250%			
			10/01/29	325,000.00	2.250%			
			10/01/30	325,000.00	2.500%			
			10/01/31	325,000.00	2.500%			
			10/01/32	325,000.00	2.500%			
			10/01/33	325,000.00	2.750%			
			10/01/34	325,000.00	3.000%			
			10/01/35	325,000.00	3.000%			
			10/01/36	325,000.00	3.000%			
			General Obligation Refunding Bonds - Series 2017	8/23/2017	6,535,000.00			
07/01/22	380,000.00	3.000%						
07/01/23	390,000.00	4.000%						
07/01/24	410,000.00	4.000%						
07/01/25	425,000.00	4.000%						
07/01/26	445,000.00	4.000%						
07/01/27	460,000.00	4.000%						
07/01/28	480,000.00	4.000%						
07/01/29	500,000.00	4.000%						
07/01/30	520,000.00	4.000%						
07/01/31	545,000.00	4.000%						
07/01/32	560,000.00	4.000%						
						<u>5,845,000.00</u>	<u>360,000.00</u>	<u>5,485,000.00</u>
						<u>\$ 13,895,000.00</u>	<u>\$ 1,050,000.00</u>	<u>\$ 12,845,000.00</u>



**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of Green Trust Loan Payable  
For the Year Ended December 31, 2020

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
Locke Avenue Park	1/4/2002	\$ 150,000.00	2021	\$ 9,098.43	2.00%	\$ 22,635.16	\$ 8,919.15	\$ 13,716.01
			2022	4,617.58				
Park Expansion	4/26/2007	400,000.00	2021	22,184.13	2.00%	161,722.35	21,747.02	139,975.33
			2022	22,630.04				
			2023	23,084.91				
			2024	23,548.91				
			2025	24,022.24				
			2025	24,505.10				
						<u>\$ 184,357.51</u>	<u>\$ 30,666.17</u>	<u>\$ 153,691.34</u>

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2019	Increased	Balance Dec. 31, 2020
2017-19	Various Sewer Improvements	6/5/2019	6/4/2020	6/3/2021	1.50%	\$ 3,000,000.00		\$ 3,000,000.00
2018-09	Construction and Improvements of Open Space for Recreation	6/5/2019	6/4/2020	6/3/2021	1.50%	2,500,000.00		2,500,000.00
2018-12	Various Capital Improvements	6/5/2019	6/4/2020	6/3/2021	1.50%	1,000,000.00		1,000,000.00
2020-13	Road and Drainage Improvements at Various Locations	12/2/2020	12/2/2020	6/3/2021	1.00%	<u>                    </u>	<u>\$ 3,325,000.00</u>	<u>3,325,000.00</u>
						<u>\$ 6,500,000.00</u>	<u>\$ 3,325,000.00</u>	<u>\$ 9,825,000.00</u>

**TOWNSHIP OF WOOLWICH**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Issued	Balance Dec. 31, 2020
2017-19	Various Sewer Improvements	\$ 12,400,000.00			\$ 12,400,000.00
2018-09	Construction and Improvements of Open Space for Recreation	500,000.00			500,000.00
2018-12	Various Capital Improvements	1,000,000.00			1,000,000.00
2019-11	Emergency Road and Drainage Repairs to Garwin Road	251,750.00			251,750.00
2019-14	Acquisition of Trash Carts	570,000.00			570,000.00
2020-13	Road and Drainage Improvements at Various Locations		\$ 3,325,000.00	\$ 3,325,000.00	-
		<u>\$ 14,721,750.00</u>	<u>\$ 3,325,000.00</u>	<u>\$ 3,325,000.00</u>	<u>\$ 14,721,750.00</u>

**PART II**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**TOWNSHIP OF WOOLWICH**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2020

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

**Finding No. 2020-001**

**Criteria or Specific Requirement**

Pursuant to N.J.A.C. 5:30-5.7, the general ledger, together with the books of original entry and supporting subsidiary ledgers, shall constitute a complete accounting system which all local units shall have and maintain. Good internal control practices dictate that a complete and accurate general ledger should be maintained for each fund to ensure adequate control over the preparation of financial statements including the related footnotes.

**Condition**

Closing and adjusting audit entries were not posted to the general ledger for the year ended December 31, 2019. In addition, reconciled cash balances for the current, general capital, open space, and payroll accounts did not agree with the general ledger account balances as of December 31, 2020.

**Context**

Adjustments were required to balance the current, general capital, open space, and payroll general ledgers for the year ended December 31, 2020.

**Effect or Potential Effect**

Without a properly maintained general ledger system, the immediate and current identification of assets, liabilities, revenues, expenditures, and fund balance cannot be achieved.

**Cause**

Proper internal control policies and procedures over financial transactions are not in place to properly maintain the general ledger and corresponding subsidiary ledgers.

**Recommendation**

That the general ledger for each fund be accurately and completely maintained to ensure adequate control over the preparation of financial statements including the related footnotes.

**View of Responsible Officials and Planned Corrective Action**

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

**TOWNSHIP OF WOOLWICH**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2020

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2020-002**

**Criteria or Specific Requirement**

N.J.S.A. 40:55D-53 requires Developers' Escrow deposits to be held in trust and appropriately accounted for.

**Condition**

The developers' escrow trust fund general ledger reserve balance does not agree to the supporting subsidiary ledger. There are material unallocated reserve balances that should be reviewed for proper disposition.

**Context**

Adjustments were required to reconcile the developers' escrow general ledger balance with the subsidiary ledger.

**Effect or Potential Effect**

Without a properly maintained subsidiary ledger, the immediate and current identification of developer balances cannot be achieved.

**Cause**

Proper internal control policies and procedures over the developers' escrow trust fund are not in place to properly maintain the subsidiary ledger.

**Recommendation**

That the developers' escrow trust fund subsidiary ledger be properly maintained and reconciled to the general ledger. Unallocated balances should be reviewed for proper disposition.

**View of Responsible Officials and Planned Corrective Action**

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

**TOWNSHIP OF WOOLWICH**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2019-001**

**Condition**

Closing and adjusting audit entries were not posted to the general ledger for the year ended December 31, 2018. In addition, reconciled cash balances for the current, general capital, open space, payroll, and developers' recreation accounts did not agree with the general ledger account balances as of December 31, 2019.

**Current Status**

A similar condition remains as Finding No. 2020-001.

**Planned Corrective Action**

See the corrective action plan detailed in Finding No. 2020-001.

**Finding No. 2019-002**

**Condition**

The Township did not maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

**Current Status**

The condition has been resolved.

**TOWNSHIP OF WOOLWICH**  
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Vernon R. Marino	Mayor	
Natalie Matthias	Deputy Mayor	
Craig Frederick	Committee Member	
Gina Marie Santore	Committee Member (resigned 8/3/2020)	
Michael Nocentino	Committee Member	
Marla DeLuca Curran	Committee Member (appointed 8/3/2020)	
Jane DiBella	Township Administrator/Clerk	(1)
William Pine	Chief Financial Officer	(1)
Kim Jaworski	Tax Collector	(1)
James Sabetta	Construction Code Official	(1)
Angela M. Kalnas	Court Administrator	(1)
William Golden	Court Magistrate (retired 11/2020)	(1)
Kelly Conroy	Court Magistrate (appointed 11/2020)	
John A. Alice, Esq.	Solicitor	
Remington & Vernick Engineers	Engineer	

(1) \$1,000,000.00 per loss is covered by the Gloucester, Salem, Cumberland County Municipal Joint Insurance Fund Excess Crime Policy, Public Employee Bond Declarations, and Excess Public Officials Bonds for all public officials.



18700

**APPRECIATION**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant