

TOWNSHIP OF WOOLWICH
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2022

**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

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**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

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COUNTY OF GLOUCESTER**

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**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Woolwich as of December 31, 2022, and the related statement of operations and changes in fund balance - regulatory basis for the year then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Township of Woolwich's basic financial statements as listed in the table of contents.

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 below "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United State 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, as of December 31, 2022, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Woolwich, as of December 31, 2022, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the statements of revenues - regulatory basis, and statements of expenditures - regulatory basis, for the year ended December 31, 2022 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.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Woolwich, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Woolwich's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township of Woolwich's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Woolwich's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Woolwich's basic financial statements. The supplemental schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Predecessor Auditor

The financial statements for the year ended December 31, 2021, were audited by a predecessor auditor. The predecessor auditor issued an adverse opinion on the financial statements, stating that they do not present fairly, in accordance with account principles generally accepted in the United States of America, the financial position of each fund of the Township of Woolwich as of December 31, 2021, or changes in financial position for the year then ended.

The predecessor auditor issued an unmodified opinion on the regulatory basis financial statements for the year ended December 31, 2021, stating that the regulatory basis balance sheets and account group as of December 31, 2021, the regulatory basis of operations for the year then ended and the regulatory basis statements of revenues and expenditure for the year then ended December 31, 2021, were in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2023 on our consideration of the Township of Woolwich's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
September 20, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Woolwich, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 20, 2023. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding No. 2022-001, 2022-002 and 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that is 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 is described in the accompany schedule of financial statement findings as Finding No. 2022-001 and 2022-003.

Township of Woolwich's Response to Findings

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
September 20, 2023

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021

ASSETS	REFERENCE	2022	2021
Operating Fund:			
Cash:			
Treasurer	A-4	\$ 13,111,343.47	\$ 10,538,569.65
Change Fund	A	<u>650.00</u>	<u>650.00</u>
Total Cash		<u>13,111,993.47</u>	<u>10,539,219.65</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	411,454.33	402,427.48
Tax Title Liens Receivable	A-7	277,365.06	267,083.22
Revenue Accounts Receivable	A-8	5,285.50	68,873.44
Due from Capital Fund	C	15,886.26	-
Due from Animal Control Trust	B	-	94.24
Due from Trust Fund	B	<u>116,742.34</u>	<u>110,096.81</u>
Total Receivables		<u>826,733.49</u>	<u>848,575.19</u>
Total Operating Fund Assets		<u>13,938,726.96</u>	<u>11,387,794.84</u>
Federal & State Grant Fund:			
Grants Receivable	A-13	86,315.14	82,530.70
Due from Current Fund	A	<u>621,174.48</u>	<u>750,982.14</u>
Total Federal & State Grant Fund Assets		<u>707,489.62</u>	<u>833,512.84</u>
Total Assets		<u><u>\$ 14,646,216.58</u></u>	<u><u>\$ 12,221,307.68</u></u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2022	2021
Current Fund:			
Appropriation Reserves	A-3	\$ 652,031.32	\$ 557,932.98
Reserve for Encumbrances	A-3	93,758.42	132,483.35
Prepaid Taxes	A-5	519,999.09	477,051.61
Accounts Payable	A-9	7,723.53	80,391.04
Due County for Added & Omitted Taxes	A-12	530,449.63	484,958.21
Due Municipal Open Space Tax Fund	B	35,416.08	64,674.56
Local School Taxes Payable	A-10	3,190,256.47	3,104,163.48
Due to Federal and State Grant Fund	A	621,174.48	750,982.14
Due to General Capital Fund	C	-	620,174.04
Reserve for Master Plan	A	38,513.82	66,418.82
Reserve for FEMA	A	829,395.04	-
Reserve for Municipal Relief Fund	A	21,638.08	-
Reserve for Sewer Connection Fees	A	504,000.00	-
Reserve for National Opioid Settlement	A	19,825.29	-
Due to State - Senior Citizen and Veterans Deductions	A-5	9,329.30	9,704.30
		<u>7,073,510.55</u>	<u>6,348,934.53</u>
Total Operating Liabilities			
Reserve for Receivables	A	826,733.49	848,575.19
Fund Balance	A-1	6,038,482.92	4,190,285.12
		<u>13,938,726.96</u>	<u>11,387,794.84</u>
Total Operating Fund			
Federal & State Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-14	706,272.35	538,401.69
Unappropriated Reserves	A-15	717.27	294,964.21
Encumbrances Payable	A-14	500.00	146.94
		<u>707,489.62</u>	<u>833,512.84</u>
Total Federal & State Grant Fund			
		<u>\$ 14,646,216.58</u>	<u>\$ 12,221,307.68</u>
Total Liabilities Reserve & Fund Balance			

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

TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,995,000.00	\$ 1,964,000.00
Miscellaneous Revenues Anticipated	3,144,475.34	2,304,220.27
Receipts From Delinquent Taxes	347,784.10	457,090.23
Receipts From Current Taxes	49,341,946.35	48,883,315.93
Nonbudget Revenues	964,188.33	619,687.99
Other Credits to Income:		
Refund of Prior Year Expenses	15,392.83	-
Unexpended Balance of Appropriation Reserves	295,066.29	452,525.16
Interfund Returned	303,501.85	-
Tax Overpayments Collected	-	12,505.86
	<u>56,407,355.09</u>	<u>54,693,345.44</u>
Total Revenue & Other Income		
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,641,067.38	2,481,806.00
Other Expenses	4,079,800.00	3,781,246.00
Deferred Charges & Statutory Expenditures	1,192,497.00	1,158,664.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	1,215,882.09	1,289,782.43
Other Expenses	352,139.63	136,633.50
Capital Improvement Fund	50,000.00	50,000.00
Municipal Debt Service	1,989,535.94	1,655,697.25
Deferred Charges	200,000.00	175,000.00
County Taxes	10,414,808.54	10,278,954.10
Due County for Added and Omitted Taxes	530,449.63	484,958.21
Local District School Tax	17,201,521.00	17,029,335.00
Regional High School Tax	11,951,790.00	11,807,557.50
Municipal Open Space	709,000.00	686,000.00
Due Municipal Open Space for Added and Omitted Taxes	35,416.08	31,735.62
Senior & Vet Disallowed	250.00	500.00
Interfund Created	-	35,237.65
Refund Revenue	-	21,832.13
	<u>52,564,157.29</u>	<u>51,104,939.39</u>
Total Expenditures		
Statutory Excess to Fund Balance	3,843,197.80	3,588,406.05
Fund Balance - January 1	<u>4,190,285.12</u>	<u>2,565,879.07</u>
Total	8,033,482.92	6,154,285.12
Decreased by: Utilized as Anticipated Revenue	<u>1,995,000.00</u>	<u>1,964,000.00</u>
Fund Balance December 31	<u>\$ 6,038,482.92</u>	<u>\$ 4,190,285.12</u>

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

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENTS OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	ANTICIPATED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 1,995,000.00	\$ -	\$ 1,995,000.00	\$ -
Miscellaneous Revenues:				
Municipal Court	50,000.00	-	52,239.52	2,239.52
Interest & Cost on Taxes	90,000.00	-	85,597.39	(4,402.61)
Energy Receipts Tax	414,809.00	-	414,809.00	-
Garden State Trust	5,939.00	-	5,939.00	-
Kingsway Regional High School - SRO	86,040.00	-	225,131.44	139,091.44
Swedesboro/Woolwich School District - SRO	64,800.00	-	84,694.02	19,894.02
Shared Service Agreements - Swedesboro:				
Recreation - OE	8,000.00	-	8,000.00	-
Police Coverage and Protection	689,265.00	-	689,265.00	-
Shared Service Agreements - South Harrison:				
Police Coverage and Protection	526,617.09	-	526,617.09	-
General Capital Fund Balance	128,258.25	-	128,258.25	-
Reserve for Debt Service	200,000.00	-	200,000.00	-
Debt Service Contribution from Open Space	346,000.00	-	346,000.00	-
Pension Contribution from UCC Trust Fund	35,000.00	-	35,000.00	-
NJ DOT Swedesboro - Due to General Capital	200,000.00	-	150,000.00	(50,000.00)
Additional Revenues Offset With Appropriations:				
Recycling Tonnage Grant	-	14,962.54	14,962.54	-
Clean Communities Program	23,765.41	27,108.49	50,873.90	-
Drunk Driving Enforcement Fund	-	2,800.00	2,800.00	-
Municipal Alliance on Alcoholism and Drug Abuse	1,500.00	-	1,500.00	-
Alcohol Education and Rehabilitation Grant	908.80	-	908.80	-
Body Armor Replacement Grant	1,589.39	-	1,589.39	-
Drive Sober or Get Pulled Over	5,720.00	-	5,720.00	-
Click It or Ticket Grant	1,100.00	-	1,100.00	-
Distracted Driving Grant	2,420.00	-	2,420.00	-
LEAP Grant - South Harrison	51,050.00	-	51,050.00	-
LEAP Grant - Logan	60,000.00	-	60,000.00	-
Total Miscellaneous	2,992,781.94	44,871.03	3,144,475.34	106,822.37
Receipts from Delinquent Taxes	375,000.00	-	347,784.10	(27,215.90)
Subtotal General Revenues	5,362,781.94	44,871.03	5,487,259.44	79,606.47
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	7,532,726.29	-	9,715,404.26	2,182,677.97
Budget Totals	12,895,508.23	44,871.03	15,202,663.70	2,262,284.44
Nonbudget Revenues	-	-	964,188.33	964,188.33
Total	\$ 12,895,508.23	\$ 44,871.03	\$ 16,166,852.03	\$ 3,226,472.77

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue From Collections	\$ 49,341,946.35
Allocated to - School, County & Special District Taxes	<u>40,842,985.25</u>
Balance for Support of Municipal Budget Revenues	8,498,961.10
Add: Appropriation - "Reserve for Uncollected Taxes"	<u>1,216,443.16</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 9,715,404.26</u>

Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$ 324,937.76
Tax Title Lien Collections	<u>22,846.34</u>
Total Receipts From Delinquent Taxes	<u>\$ 347,784.10</u>

Analysis of Nonbudget Revenue:

Treasurer:	
Licenses - Alcohol	\$ 6,000.00
Marriage Licenses	728.00
Junk Yard	3,603.82
Zoning Board Fees	21,490.00
Planning Board Fees	22,813.75
Street Opening Fees	1,200.00
Miscellaneous Fees	82,507.47
Community Garden Plots	1,290.00
Interlocal Agreement	5,500.00
Woolwich-Swedesboro Regional Reimbursements	181,178.99
Municipal Building Rentals	44,200.00
Vacant Property Registration	8,700.00
Prior Year Refund	45,000.00
UCC Admin Fees	51,243.44
Sewer Reimbursements	79,900.00
Payment in Lieu of Taxes	355,782.92
JIF Safety Incentive Program	9,357.14
Cable TV Franchise Fees	33,632.56
2% Senior & Vet Admin Fee	1,042.50
Interest on Investments	<u>9,017.74</u>
Total Analysis of Nonbudget Revenue	<u>\$ 964,188.33</u>

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

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

OPERATIONS	APPROPRIATIONS		EXPENDED				CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED		
General Government:							
General Administration:							
Salaries and Wages	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ -	-
Other Expenses	4,500.00	4,500.00	1,460.64	-	3,039.36	-	-
Master Plan for Revaluation	30,000.00	-	-	-	-	-	-
Mayor and Committee:							
Salaries and Wages	32,000.00	32,000.00	30,384.70	-	1,615.30	-	-
Other Expenses	2,000.00	2,000.00	1,692.35	-	307.65	-	-
Municipal Clerk:							
Salaries and Wages	136,800.00	140,772.33	140,772.33	-	-	-	-
Other Expenses	18,650.00	21,050.00	20,209.41	8.98	831.61	-	-
Financial Administration (Treasury):							
Salaries and Wages	145,625.00	127,652.67	125,802.87	-	1,849.80	-	-
Other Expenses	52,000.00	50,000.00	46,979.35	2,516.94	503.71	-	-
Audit Services:							
Other Expenses	55,000.00	55,000.00	40,050.00	-	14,950.00	-	-
Revenue Administration (Tax Collection):							
Salaries and Wages	70,000.00	70,000.00	69,000.02	-	999.98	-	-
Other Expenses	12,000.00	12,000.00	9,229.72	136.48	2,633.80	-	-
Legal Services and Costs:							
Other Expenses	210,000.00	225,000.00	207,090.46	8,518.10	9,391.44	-	-
Engineering Services:							
Other Expenses	40,000.00	43,500.00	39,396.45	3,020.00	1,083.55	-	-
Economic Development Agencies:							
Other Expenses	1,000.00	1,000.00	99.99	-	900.01	-	-
Land Use Administration:							
Planning Board:							
Salaries and Wages	33,150.00	36,150.00	36,061.49	-	88.51	-	-
Other Expenses	70,000.00	70,000.00	39,682.35	-	30,317.65	-	-
Zoning Board of Adjustment:							
Salaries and Wages	41,589.38	41,589.38	41,589.38	-	-	-	-
Other Expenses	300.00	300.00	232.37	-	67.63	-	-
Insurance:							
General Liability	427,680.00	427,680.00	382,895.65	-	44,784.35	-	-
Workers' Compensation	-	-	-	-	-	-	-
Employee Group Health	780,000.00	768,500.00	612,052.50	-	156,447.50	-	-
Employee Health Insurance - Medical Waiver	38,500.00	43,300.00	43,145.61	-	154.39	-	-
Employee Health Insurance - Optional Cash Payment	60,000.00	55,200.00	27,711.47	-	27,488.53	-	-
Public Safety Functions:							
Police Department:							
Salaries and Wages	1,671,853.00	1,651,353.00	1,547,063.72	-	104,289.28	-	-
Other Expenses	216,750.00	237,250.00	198,415.35	29,810.08	9,024.57	-	-

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Office of Emergency Management:						
Salaries and Wages	7,500.00	5,100.00	4,807.99	-	292.01	-
Other Expenses	1,750.00	1,750.00	1,205.77	528.00	16.23	-
Aid to Volunteer Fire Company						
Other Expenses	100,000.00	100,000.00	83,741.68	10,557.48	5,700.84	-
Municipal Prosecutor:						
Salaries and Wages	23,450.00	23,450.00	23,413.04	-	36.96	-
Public Works Functions:						
Streets & Roads Maintenance:						
Other Expenses	42,000.00	42,000.00	34,073.98	2,520.22	5,405.80	-
Snow Removal:						
Salaries and Wages	30,000.00	30,000.00	-	-	30,000.00	-
Other Expenses	40,000.00	40,000.00	12,412.10	9,734.00	17,853.90	-
Solid Waste Collection:						
Other Expenses	625,000.00	625,000.00	600,532.61	-	24,467.39	-
Buildings & Grounds:						
Salaries and Wages	280,000.00	280,000.00	280,000.00	-	-	-
Other Expenses	100,000.00	100,000.00	62,645.86	20,368.73	16,985.41	-
Vehicle Maintenance:						
Other Expenses	45,000.00	45,000.00	38,561.21	3,278.98	3,159.81	-
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	10,000.00	10,000.00	9,658.01	-	341.99	-
Other Expenses	200.00	200.00	115.00	-	85.00	-
Environmental Committee:						
Other Expenses	1,000.00	1,000.00	630.59	-	369.41	-
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	12,750.00	12,750.00	163.95	669.40	11,916.65	-
Other Expenses	12,500.00	12,500.00	12,500.00	-	-	-
Maintenance of Parks:						
Other Expenses	55,000.00	55,000.00	36,304.37	1,300.85	17,394.78	-
Celebration of Public Events:						
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
Utility Expenses & Bulk Purchases:						
Electricity	160,000.00	176,000.00	164,749.54	-	11,250.46	-
Street Lighting	75,000.00	82,000.00	74,971.44	-	7,028.56	-
Telephone	30,000.00	30,000.00	25,233.24	226.00	4,540.76	-
Water - Fire Hydrant	135,000.00	135,000.00	128,598.71	-	6,401.29	-
Gasoline	150,000.00	150,000.00	149,436.58	-	563.42	-
Heating Oil	13,500.00	13,500.00	12,418.66	-	1,081.34	-
Cable TV & Internet	10,000.00	12,000.00	11,523.40	-	476.60	-
Salary Adjustment	10,000.00	7,000.00	-	-	7,000.00	-

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Solid Waste Disposal Costs:						
Other Expenses	405,000.00	419,000.00	385,132.04	-	33,867.96	-
Municipal Court:						
Salaries and Wages	143,250.00	143,250.00	127,813.14	-	15,436.86	-
Other Expenses	22,570.00	22,570.00	20,035.49	164.18	2,370.33	-
Public Defender:						
Salaries and Wages	10,000.00	10,000.00	9,575.00	400.00	25.00	-
Total Operations Within "CAPS"	6,720,867.38	6,720,867.38	5,991,271.58	93,758.42	635,837.38	-
Detail:						
Salaries and Wages	2,677,967.38	2,641,067.38	2,466,105.64	1,069.40	173,892.34	-
Other Expenses	4,042,900.00	4,079,800.00	3,525,165.94	92,689.02	461,945.04	-
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	315,000.00	315,000.00	298,920.20	-	16,079.80	-
Defined Contribution Retirement Program	1,000.00	1,000.00	885.95	-	114.05	-
Consolidated Police & Firemen's Pension	-	-	-	-	-	-
Police and Firemen's Retirement System of NJ	700,160.00	700,160.00	700,160.00	-	-	-
Public Employees Retirement System	176,337.00	176,337.00	176,337.00	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,192,497.00	1,192,497.00	1,176,303.15	-	16,193.85	-
Total General Appropriations for Municipal Purposes Within "CAPS"	7,913,364.38	7,913,364.38	7,167,574.73	93,758.42	652,031.23	-
Operations Excluded From "CAPS":						
Public & Private Programs Offset by Revenues:						
Recycling Tonnage Grant	-	14,962.54	14,962.54	-	-	-
Clean Communities Program	23,765.41	50,873.90	50,873.90	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - State	1,500.00	1,500.00	1,500.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - Local	375.00	375.00	375.00	-	-	-
Alcohol Education and Rehabilitation Grant	908.80	908.80	908.80	-	-	-
Distracted Driving	2,420.00	2,420.00	2,420.00	-	-	-
Body Armor Replacement Fund	1,589.39	1,589.39	1,589.39	-	-	-
Drive Sober or Get Pulled Over	5,720.00	8,520.00	8,520.00	-	-	-
Click It or Ticket Grant	1,100.00	1,100.00	1,100.00	-	-	-
LEAP Grant - South Harrison	51,050.00	51,050.00	51,050.00	-	-	-
LEAP Grant - Logan	60,000.00	60,000.00	60,000.00	-	-	-
Interlocal Municipal Service Agreements:						
Borough of Swedesboro:						
Recreation - Other Expenses	8,000.00	8,000.00	8,000.00	-	-	-
Police Coverage and Protection						
Salaries & Wages	689,265.00	689,265.00	689,265.00	-	-	-
Township of South Harrison:						
Police Coverage and Protection						
Salaries & Wages	526,617.09	526,617.09	526,617.00	-	0.09	-
Kingsway Regional High School District - SRO						
Salaries & Wages	86,040.00	86,040.00	86,040.00	-	-	-
Swedesboro/Woolwich School District						
Salaries & Wages	64,800.00	64,800.00	64,800.00	-	-	-
Total Operations Excluded from "CAPS"	1,523,150.69	1,568,021.72	1,568,021.63	-	0.09	-
Detail:						
Salaries and Wages	1,367,630.89	1,215,882.09	1,215,882.00	-	0.09	-
Other Expenses	155,519.80	352,139.63	352,139.63	-	-	-

**TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

OPERATIONS	APPROPRIATIONS		EXPENDED			CANCEL
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBERED	RESERVED	
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Total Capital Improvements - Excluded from CAPS	50,000.00	50,000.00	50,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,120,000.00	1,120,000.00	1,120,000.00	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	125,000.00	125,000.00	125,000.00	-	-	-
Interest on Bonds	382,550.00	382,550.00	382,550.00	-	-	-
Interest on Notes	335,000.00	335,000.00	332,448.95	-	-	2,551.05
Green Acres Trust Loan Program:						
Principal & Interest	30,000.00	30,000.00	29,536.99	-	-	463.01
Total Municipal Debt Service Excluded From "CAPS"	1,992,550.00	1,992,550.00	1,989,535.94	-	-	3,014.06
Deferred Charges - Excluded from "CAPS":						
Appropriation Without Ordinance	200,000.00	200,000.00	200,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	200,000.00	200,000.00	200,000.00	-	-	-
Total General Appropriations Excluded From "CAPS"	3,765,700.69	3,810,571.72	3,807,557.57	-	0.09	3,014.06
Subtotal General Appropriations	11,679,065.07	11,723,936.10	10,975,132.30	93,758.42	652,031.32	3,014.06
Reserve For Uncollected Taxes	1,216,443.16	1,216,443.16	1,216,443.16	-	-	-
Total General Appropriations	<u>\$ 12,895,508.23</u>	<u>\$ 12,940,379.26</u>	<u>\$ 12,191,575.46</u>	<u>\$ 93,758.42</u>	<u>\$ 652,031.32</u>	<u>\$ 3,014.06</u>

Adopted Budget	\$ 12,895,508.23
Added by N.J.S.40A:4-87	<u>44,871.03</u>
Total	<u><u>\$ 12,940,379.26</u></u>
Federal & State Grants	\$ 193,299.63
Reserve for Uncollected Taxes	1,216,443.16
Refunds	(185,501.77)
Disbursed	<u>10,967,334.44</u>
Total	<u><u>\$ 12,191,575.46</u></u>

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

**TOWNSHIP OF WOOLWICH
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

ASSETS	REFERENCE	2022	2021
Animal Control Fund:			
Cash	B-3	<u>\$ 3,425.90</u>	<u>\$ 3,387.86</u>
Total Animal Control Fund		<u>3,425.90</u>	<u>3,387.86</u>
Municipal Open Space Trust Fund			
Cash	B-3	778,365.93	620,704.03
Due from Current Fund	A	<u>35,416.08</u>	<u>64,674.56</u>
Total Municipal Open Space		<u>813,782.01</u>	<u>685,378.59</u>
Other Funds:			
Cash - Treasurer	B-3	9,605,889.58	3,875,812.67
Cash - Collector	B-4	136,783.31	80,957.09
Due from Contractors	B	<u>-</u>	<u>75,894.28</u>
Total Other Funds		<u>9,742,672.89</u>	<u>4,032,664.04</u>
Total Assets		<u><u>\$ 10,559,880.80</u></u>	<u><u>\$ 4,721,430.49</u></u>

**TOWNSHIP OF WOOLWICH
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

LIABILITIES, RESERVES & FUND BALANCE		2022	2021
Animal Control Fund:			
Due Current Fund	A	\$ -	\$ 94.24
Due to State of New Jersey	B	-	6.00
Reserve for Encumbrances	B	-	778.00
Reserve for Animal Control Expenditures	B-5	3,425.90	2,509.62
		<hr/>	<hr/>
Total Animal Control Fund		3,425.90	3,387.86
Municipal Open Space Trust Fund:			
Due to General Capital Fund	C	-	154,356.64
Reserve for Encumbrances	B-2	1,643.75	27,950.16
Appropriation Reserves	B-2	38,539.18	38,815.47
Reserve for Future Use	B-6	773,599.08	464,256.32
		<hr/>	<hr/>
Total Municipal Open Space Trust Fund		813,782.01	685,378.59
Other Funds:			
Due to Current Fund	A	116,742.34	110,096.81
Due to State:			
Reserve for Uniform Construction Code	B	16,278.00	12,169.00
Encumbrances Payable:			
Miscellaneous Trust Reserves	B	-	389,191.00
Reserve for Uniform Construction Code	B	-	70,229.90
Reserves for:			
Deposits for Redemption of Tax Title Liens	B-8	17,760.93	9,934.71
Tax Sale Premiums	B-8	119,022.38	71,022.38
Public Defender	B-8	7,016.26	6,916.26
Payroll Deductions Payable	B-8	51,883.24	44,934.03
Site Plan Review Escrow	B-8	3,949,627.70	1,862,675.84
Municipal Functions Developers Fees	B-8	177,511.64	113,150.83
Police Overtime	B-8	142,770.85	19,373.22
UCC Trust	B-8	1,668,912.10	438,702.08
P.O.A.A. - Parking Fines	B-8	472.73	454.73
Police Forfeited Funds	B-8	8,422.57	7,379.57
Developers Tree Compensation	B-8	295,575.60	295,710.60
Snow Removal	B-8	362.82	961.65
Developers Recreation Fees	B-8	313,375.05	112,694.07
COAH Fees	B-8	2,823,809.09	430,188.10
Election	B-8	4,425.00	3,775.00
Woolwich Recreation Trust	B-8	25,149.03	30,504.74
Unemployment Trust	B-8	3,555.56	2,599.52
		<hr/>	<hr/>
Total Other Funds		9,742,672.89	4,032,664.04
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		\$ 10,559,880.80	\$ 4,721,430.49

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

**TOWNSHIP OF WOOLWICH
TRUST MUNICIPAL OPEN SPACE FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 709,000.00	\$ 744,416.08	\$ 35,416.08
For Future Use	38,000.00	38,000.00	-
Green Acres Grant	-	274,107.99	274,107.99
Miscellaneous - Interest	-	52.13	52.13
Total	<u>\$ 747,000.00</u>	<u>\$ 1,056,576.20</u>	<u>\$ 309,576.20</u>
	Cash Receipts	\$ 1,021,160.12	
	Due from Current	<u>35,416.08</u>	
		<u>\$ 1,056,576.20</u>	

ANALYSIS OF REALIZED REVENUE

Amount to be Raised by Taxation:

Current Year Levy	\$ 709,000.00
Added/Omitted Levy	<u>35,416.08</u>
	<u>\$ 744,416.08</u>

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

**TOWNSHIP OF WOOLWICH
TRUST MUNICIPAL OPEN SPACE FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

OPERATIONS	APPROPRIATIONS				UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID	EXPENDED ENCUMBERED RESERVED	
Development of Lands for Recreation & Conservation:					
Salaries and Wages	\$ 241,000.00	\$ 241,000.00	\$ 240,467.36	\$ -	\$ 532.64
Other Expenses	160,000.00	160,000.00	120,349.71	1,643.75	38,006.54
Debt Service:					
Payment of Bond Principal	232,000.00	232,000.00	232,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	38,000.00	38,000.00	38,000.00	-	-
Interest on Bonds	36,000.00	36,000.00	36,000.00	-	-
Interest on Notes	40,000.00	40,000.00	40,000.00	-	-
Total	\$ 747,000.00	\$ 747,000.00	\$ 706,817.07	\$ 1,643.75	\$ 38,539.18
			Cash Disbursements	\$ 360,817.07	
			Due to Current Fund	346,000.00	
				<u>\$ 706,817.07</u>	

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

TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021

ASSETS	REFERENCE	2022	2021
Cash & Cash Equivalents	C-1a	\$ 6,291,446.94	\$ 5,875,988.82
State Aid Receivable	C-6	209,870.60	888,122.37
Due From Current Fund	C-5	-	620,174.04
Due from Municipal Open Space Trust	B	-	154,356.64
Deferred Charges to Future Taxation:			
Funded	C-3	10,730,161.20	11,877,408.78
Unfunded	C-4	34,226,496.00	34,351,496.00
Expenditure without an Ordinance	C	-	200,000.00
		<u> </u>	<u> </u>
Total Assets		<u>\$ 51,457,974.74</u>	<u>\$ 53,967,546.65</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes Payable	C-11	\$ 31,168,496.00	\$ 22,225,000.00
General Serial Bond	C-9	10,635,000.00	11,755,000.00
Green Acres Loan Payable	C-10	95,161.20	122,408.78
Capital Improvement Fund	C-7	72,483.35	22,483.35
Improvement Authorizations:			
Funded	C-8	86,338.50	1,440,842.50
Unfunded	C-8	5,803,765.85	15,159,816.40
Encumbrances Payable	C-8	2,949,944.22	2,480,207.42
Due to Current Fund	C-5	15,886.26	-
Reserve for Developers Deposits	C	173,465.05	173,465.05
Reserve To Pay Debt Service - Bonds	C	60,000.00	260,000.00
Fund Balance	C-1	397,434.31	328,323.15
		<u> </u>	<u> </u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 51,457,974.74</u>	<u>\$ 53,967,546.65</u>

There were bonds and notes authorized but not issued on December 31, 2022 of \$3,058,000 and on December 31, 2021 of \$12,126,496.

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

TOWNSHIP OF WOOLWICH
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021

ASSETS	2022	2021
Land	\$ 4,928,200.00	\$ 4,928,200.00
Buildings and Improvements	5,470,800.00	5,470,800.00
Machinery and Equipment	<u>3,643,308.00</u>	<u>3,959,089.00</u>
 Total	 <u>\$ 14,042,308.00</u>	 <u>\$ 14,358,089.00</u>
 FUND BALANCE		
 Investment in Fixed Assets	 <u>\$ 14,042,308.00</u>	 <u>\$ 14,358,089.00</u>

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

**TOWNSHIP OF WOOLWICH
COUNTY OF GLOUCESTER**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Woolwich, County of Gloucester, New Jersey ("Township") is comprised of five elected members who serve three-year terms. The Mayor and Deputy Mayor are elected by the members of the committee and serve for a one-year term in these positions. The financial statements of the Township include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards. Complete financial statements of the above entities can be obtained by contacting their Treasurer.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80 and 90.

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

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

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

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

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

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

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

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

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

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

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

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

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

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

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

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

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

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

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

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2022:

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. The Township has implemented this standard as of December 31, 2022.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 96, Subscription-Based IT Arrangements (SBITA), addresses accounting and financial reports for subscription-based information technology arrangements. The standard requires governments to recognize the subscription-based IT arrangement as an intangible asset and to amortize the intangible asset over the subscription term. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the Township’s financial statements.

Statement No. 101, Compensated Absences, updates the recognition and measurement guidance to better meet the information needs of the financial statement users for compensated absences. The standard requires that liabilities for compensated absences be recognized for leave that hasn’t been used and leave that has been used but not paid yet. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the Township’s financial statements.

Note 2. Deposits and Investments

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

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2. Deposits and Investments (continued):

Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2022, the Township's bank balance of \$30,256,983.91 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 20,594,387.36
Uninsured and Uncollateralized	<u>9,662,596.55</u>
	<u><u>\$ 30,256,983.91</u></u>

Investments

At December 31, 2022, the Township had no investments.

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 3.367</u>	<u>\$ 3.436</u>	<u>\$ 3.431</u>
Apportionment of Tax Rate:			
Municipal	0.530	0.531	0.511
Municipal Open Space	0.049	0.050	0.050
County	0.735	0.751	0.744
Local School	1.212	1.243	1.271
Regional School	0.841	0.861	0.855

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 1,420,257,010.00
2021	1,370,899,410.00
2020	1,347,561,510.00

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 3. Property Taxes (continued):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ 50,252,921.74	\$ 49,341,946.35	98.18%
2021	49,328,043.45	48,883,315.93	99.09%
2020	46,924,723.49	46,419,253.92	98.92%

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>
2022	\$ 277,365.06	\$ 411,454.33	\$ 688,819.39	1.37%
2021	264,083.22	402,427.48	666,510.70	1.35%
2020	260,520.62	515,468.53	775,989.15	1.65%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2022	37
2021	64
2020	63

Note 4: Property Acquired By Tax Title Lien Liquidation

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2022.

Note 5. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2022	\$ 6,038,482.92	\$ 2,990,000.00	49.52%
2021	4,190,285.12	1,995,000.00	47.61%
2020	2,565,879.07	1,964,000.00	76.54%

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at December 31, 2022 are as follows:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 132,628.60	\$ 656,590.56
State and Federal Grant Fund	621,174.48	-
Municipal Open Space Trust	35,416.08	-
Trust Other Fund	-	116,742.34
Capital Fund	-	15,886.26
	<u>\$ 789,219.16</u>	<u>\$ 789,219.16</u>

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 181,692.17	\$ 621,174.48
State and Federal Grant Fund	-	129,807.66
Animal Control Trust	-	94.24
Municipal Open Space Trust	-	29,258.48
Trust Other Fund	-	6,645.53
Capital Fund	605,288.22	-
	<u>\$ 786,980.39</u>	<u>\$ 786,980.39</u>

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

Note 7. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2022.

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Appraisal Adjustments</u>	Balance December 31, <u>2022</u>
Land	\$ 4,928,200.00	\$ -	\$ -	\$ -	\$ 4,928,200.00
Buildings and Improvements	5,470,800.00	-	-	-	5,470,800.00
Machinery & Equipment	3,959,089.00	213,347.00	(670,128.00)	141,000.00	3,643,308.00
	<u>\$ 14,358,089.00</u>	<u>\$ 213,347.00</u>	<u>\$ (670,128.00)</u>	<u>\$ 141,000.00</u>	<u>\$ 14,042,308.00</u>

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Township's contractually required contribution to PERS plan was \$210,779.

Components of Net Pension Liability - At December 31, 2022, the Township's proportionate share of the PERS net pension liability was \$2,522,462. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Township's proportion measured as of June 30, 2022, was 0.016714% which was an increase of 0.00166% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 468,142	\$ 210,693
Deferred Inflows of Resources	686,896	1,557,967
Net Pension Liability	2,522,462	1,783,748
Township's portion of the Plan's total Net Pension Liability	0.01671%	0.01506%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2022, the Township's proportionate share of the PERS expense/(benefit), calculated by the plan as of the June 30, 2022 measurement date is (\$179,026). This expense/(benefit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$210,779 to the plan in 2022.

At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 18,206	\$ 16,055
Changes of Assumptions	7,815	377,712
Net Difference between Projected and Actual Earnings on Pension Plan Investments	104,402	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>337,719</u>	<u>293,129</u>
	<u>\$ 468,142</u>	<u>\$ 686,896</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	5.73	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

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

Year Ending	<u>Dec 31,</u>	<u>Amount</u>
2022		\$ (179,737)
2023		(91,570)
2024		(44,657)
2025		97,425
2026		<u>(215)</u>
		<u>\$ (218,754)</u>

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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-2021.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 3,268,069	\$ 2,522,462	\$ 1,927,463

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the 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 the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of December 31, 2022. The State's proportionate share of the contribution associated with the special funding situation was \$5,307 as of December 31, 2022. These are based on measurements as of June 30, 2022.

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

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

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

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 8. Pension Obligations (continued)

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

The following represents the membership tiers for PFRS:

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

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Township’s contractually required contributions to PFRS plan was \$879,797.

Net Pension Liability and Pension Expense - At December 31, 2022 the Township’s proportionate share of the PFRS net pension liability was \$7,743,219. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The Township’s proportion of the net pension liability was

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Township's proportion measured as of June 30, 2022, was 0.067647%, which was an increase of 0.007572% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 2,709,278	\$ 1,220,886
Deferred Inflows of Resources	1,462,154	3,729,313
Net Pension Liability	7,743,219	4,391,019
 Township's portion of the Plan's total net pension Liability	 0.06765%	 0.06008%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2022, the Township's proportionate share of the PFRS expense/(benefit), calculated by the plan as of the June 30, 2022 measurement date was \$509,284. This expense/(benefit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$879,797 to the plan in 2022.

At December 31, 2022, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 350,479	\$	474,377
Changes of Assumptions	21,221		974,718
Net Difference between Projected and Actual Earnings on Pension Plan Investments	709,051		-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,628,527</u>		<u>13,059</u>
	<u>\$ 2,709,278</u>	<u>\$</u>	<u>1,462,154</u>

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
June 30, 2022	-	6.22
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

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

<u>Year Ending</u> <u>Dec 31,</u>	<u>Amount</u>
2023	\$ 1,311,973
2024	838,432
2025	798,700
2026	(1,668,360)
2027	(16,078)
Thereafter	<u>(17,543)</u>
	<u>\$ 1,247,124</u>

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

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Township is \$1,378,066 as of December 31, 2021. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2022 was 0.067647%, which was an increase of 0.00757% from its proportion measured as of June 30, 2021, which is the same proportion as the Township’s. At December 31, 2022, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 7,743,219
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,378,066</u>
	<u>\$ 9,121,285</u>

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

At December 31, 2022, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2022 measurement date was \$171,563.

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 - 15.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	PubS-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the PubS-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 PubS-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 PFRS’s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.72%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 projected benefit payments to determine the total pension liability.

Sensitivity of the Township’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Pension Obligations (continued)

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.0%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 10,624,533	\$ 7,743,219	\$ 5,344,511
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,890,855</u>	<u>1,378,066</u>	<u>951,166</u>
	<u>\$ 12,515,388</u>	<u>\$ 9,121,285</u>	<u>\$ 6,295,677</u>

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

Note 9. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Annual Comprehensive Financial Report (ACFR), 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

TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 9. Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2021 were \$2,851,651 and \$2,698,105, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Special Funding Situation

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

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Postemployment Benefits Other Than Pensions (continued)

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

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

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$6,653,815 as of December 31, 2021. The OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2021 was 0.1723%, which was an increase of 0.0529% from its proportion measured as of June 30, 2020, which is the same proportion as the Township's. At December 31, 2021, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's		
Proportionate Share of OPEB Liability		
Associated with the Township	\$	6,653,815

At December 31, 2021, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2021 measurement date was \$(907,938).

*Note that the information presented above is in accordance with Local Finance Notice 2023-10, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Capital Debt

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 41,898,657.20	\$ 34,102,408.79	\$ 22,823,691.34
Total Debt Issued	<u>41,898,657.20</u>	<u>34,102,408.79</u>	<u>22,823,691.34</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	3,058,000.00	12,126,496.00	14,721,750.00
Total Authorized But Not Issued	<u>3,058,000.00</u>	<u>12,126,496.00</u>	<u>14,721,750.00</u>
Total Gross Debt	<u>\$ 44,956,657.20</u>	<u>\$ 46,228,904.79</u>	<u>\$ 37,545,441.34</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	60,000.00	260,000.00	-
Total Deductions	<u>60,000.00</u>	<u>260,000.00</u>	<u>-</u>
Total Net Debt	<u>\$ 44,896,657.20</u>	<u>\$ 45,968,904.79</u>	<u>\$ 37,545,441.34</u>

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 51,480,000.00	\$ 51,480,000.00	\$ -
General Debt	44,956,657.20	60,000.00	44,896,657.20
	<u>\$ 96,436,657.20</u>	<u>\$ 51,540,000.00</u>	<u>\$ 44,896,657.20</u>

The Township's statutory net debt is the Net Debt, as calculated above of \$35,435,830.78, divided by the average Equalized Valuation Basis of \$1,517,101,458.67, which equals a statutory net debt at December 31, 2022 in the amount of 2.959%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2022 is calculated as follows:

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Capital Debt (continued):

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 53,098,551.05	
Net Debt	44,896,657.20	
 Remaining Borrowing Power	 \$ 8,201,893.85	

General Debt

A. Serial Bonds Payable

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

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

On August 23, 2017, the Township issued \$6,535,000.00 of Refunding Bonds to refund the callable portion of the outstanding \$8,730,000.00 Obligations under Capital Lease. The Refunding Bonds generated \$1,151,948.04 in net present value savings. The Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on June 1, 2032.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	770,000.00	222,500.00	992,500.00
2027	785,000.00	197,900.00	982,900.00
2028-2032	4,230,000.00	579,075.00	4,809,075.00
2033-2036	1,300,000.00	96,687.50	1,396,687.50
	\$ 10,635,000.00	\$ 2,005,912.50	\$ 12,640,912.50

B. Green Acres Trust Program Loans

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

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

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Capital Debt (continued):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 23,084.91	\$ 1,788.37	\$ 24,873.28
2024	23,548.91	1,324.36	24,873.27
2025	24,022.24	851.03	24,873.27
2026	24,505.10	368.19	24,873.29
	\$ 95,161.16	\$ 4,331.95	\$ 99,493.11

C. Bond Anticipation Notes Payable – Short Term Debt

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2022</u>
Series 2022	5/31/2022	5/30/2023	3.000%	\$ 22,100,000.00
Series 2017 B	8/18/2022	5/30/2023	3.750%	9,068,496.00
				\$ 31,168,496.00

The Township had \$31,168,496 in bond anticipation notes outstanding in the General Capital Fund at December 31, 2022.

D. General Debt - Bonds and Notes Authorized But Not Issued

As of December 31, 2022, the Township had \$3,058,000.00 in General Capital bonds and notes authorized but not issued.

Note 11. Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 12. Accrued Sick, Vacation and Compensation Time

Full-time employees 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 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, 2021, accrued benefits for compensated absences are valued at \$62,694.27.

Note 13. Deferred School Taxes

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

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2022</u>	<u>2021</u>
Total Balance of Local Tax	\$ 8,600,760.79	\$ 8,514,667.80
Deferred Taxes	5,410,504.32	5,410,504.32
Local Tax Payable	\$ 3,190,256.47	\$ 3,104,163.48

Note 14. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, injuries to employees and natural disasters. The Township maintains insurance coverage for property, liability and surety bonds through the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund (“Fund”).

The Fund provides the Township with the following coverage:

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

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

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 14. Risk Management (continued)

The Fund publishes its own financial report for the year ended December 31, 2022, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund
Post Office Box 490
Marlton, New Jersey 08053

New Jersey Unemployment Compensation Insurance

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

<u>Year</u>	<u>Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 7,435.29	\$ 1.52	\$ 6,480.77	\$ 3,555.56
2021	-	0.56	5,460.82	2,599.52
2020	10,000.00	14.40	1,976.72	8,059.78

Note 15. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2022 the Township estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2022.

**TOWNSHIP OF WOOLWICH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 16. 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 three 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 17. Right of Use Assets

The Township has identified right of use assets as a result of implementing GASB 87. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The Township has determined the other charges and amortization to be immaterial and has elected to record the right of use assets at their remaining liability payments.

The Township has identified the following right of use assets:

	Balance December 31, 2021	Increases	Decreases	Balance December 31, 2022
Vehicles	\$ 569,028.65	\$ 164,877.86	\$ (153,307.80)	\$ 580,598.71
Equipment	33,224.95	-	(12,288.24)	20,936.71
	<u>\$ 602,253.60</u>	<u>\$ 164,877.86</u>	<u>\$ (165,596.04)</u>	<u>\$ 601,535.42</u>

Note 18. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2022 and September 20, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. Other than the following, no items have come to the attention of the Township that would require disclosure.

Debt Issued:

On May 10, 2023 the Township issued bond anticipation notes in the amount of \$30,901,777. The notes bear interest at a rate of 5.00% per annum and mature on May 23, 2024. The bond ordinances associated with the note are 2017-19, 2018-09, 2018-12, 2020-13 and 2021-13.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>CURRENT FUND</u>	<u>STATE & FEDERAL GRANT FUND</u>
Balance December 31, 2021	\$ 10,538,569.65	\$ -
Increased by Receipts:		
Taxes Collector	\$ 49,666,884.11	-
Revenue Accounts Receivable	2,951,550.71	-
Miscellaneous Revenue Not Anticipated	964,188.33	-
Refunds of Current Year Appropriations	185,501.77	-
Reserve for Municipal Relief Fund	21,638.08	-
Reserve for Sewer Connection Fees	504,000.00	-
Reserve for National Opioid Settlement	19,825.29	-
Reserve for FEMA	829,395.04	-
Refund of Prior Year Expenditure	15,392.83	-
Due General Capital	205,707.54	-
Federal & State Grants Unappropriated	-	717.27
Federal & State Grants Receivable	-	44,175.98
Due Federal & State Grant	19,817.34	-
	<u>55,383,901.04</u>	<u>44,893.25</u>
Total Receipts	<u>55,383,901.04</u>	<u>44,893.25</u>
Subtotal	<u>65,922,470.69</u>	<u>44,893.25</u>
Decreased by Disbursements:		
2022 Appropriations	10,967,334.44	-
Appropriation Reserves	387,626.51	-
County Taxes Payable	10,414,808.54	-
Due County for Added & Omitted Taxes	484,958.21	-
Local District School Tax	17,115,428.01	-
Regional High School Tax	11,951,790.00	-
Municipal Open Space Tax	709,000.00	-
Due General Capital	620,174.04	-
Tax Refunds	55,169.98	-
Reserve for Master Plan	27,905.00	-
Due Trust Other	75,857.49	-
Due to State - Marriage Licenses	1,075.00	-
Due Current	-	19,817.34
Federal & State Grants - Appropriated	-	25,075.91
	<u>52,811,127.22</u>	<u>44,893.25</u>
Total Disbursements	<u>52,811,127.22</u>	<u>44,893.25</u>
Balance December 31, 2022	<u>\$ 13,111,343.47</u>	<u>\$ -</u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF DUE STATE OF NEW JERSEY - VETERANS' AND SENIOR
CITIZENS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2022**

Balance - December 31, 2021		\$ (9,704.30)
Increased by:		
Deductions per Tax Billing:	\$ 50,250.00	
Deductions Allowed by Collector - Current Year	<u>2,500.00</u>	<u>52,750.00</u>
Subtotal		43,045.70
Decreased by:		
Received from State of New Jersey	51,625.00	
Deductions Disallowed by Tax Collector - Current Year	500.00	
Deductions Disallowed by Tax Collector - Prior Years	<u>250.00</u>	<u>52,375.00</u>
Balance - December 31, 2022		<u><u>\$ (9,329.30)</u></u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2022**

YEAR	BALANCE DECEMBER 31, 2021	2022 LEVY	ADDED TAXES	COLLECTED		SENIOR CITIZENS & VETERANS	OVERPAYMENT APPLIED	OVERPAYMENT CREATED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2022
				2021	2022						
2013	\$ 4,277.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 511.49	\$ -	\$ 3,765.73
2014	8,338.96	-	-	-	-	-	-	-	-	-	8,338.96
2016	7,071.50	-	-	-	-	-	-	-	-	-	7,071.50
2018	20,763.09	-	-	-	-	-	-	-	-	-	20,763.09
2019	15,543.60	-	-	-	-	-	-	-	-	-	15,543.60
2020	11,693.77	-	-	5,891.39	-	-	-	-	-	-	5,802.38
2021	334,739.34	-	250.00	-	329,926.17	-	-	(10,879.80)	13,937.30	2,005.67	0.00
Total 2022	402,427.48	47,820,055.42	250.00	335,817.56	477,051.61	52,125.00	-	(10,879.80)	14,448.79	2,005.67	61,283.26
	-	-	2,432,866.32	48,961,687.18	477,051.61	52,125.00	-	(148,917.44)	533,402.31	27,404.01	350,169.07
Total	\$ 402,427.48	\$ 47,820,055.42	\$ 2,433,116.32	\$ 49,297,504.74	\$ 477,051.61	\$ 52,125.00	\$ -	\$ (159,797.24)	\$ 547,851.10	\$ 29,409.68	\$ 411,454.33

ANALYSIS OF 2022 PROPERTY TAX LEVY:

Tax Yield:	
General Property Tax	\$ 47,820,055.42
Added Taxes (54-4-63.1 et. seq.)	2,432,866.32
	\$ 50,252,921.74
Total Tax Yield	\$ 50,252,921.74
Tax Levy:	
Local School District Tax (Abstract)	17,201,521.00
Regional High School Tax (Abstract)	11,951,790.00
Municipal Open Space (Abstract)	709,000.00
Municipal Open Space (Added)	35,416.08
County Taxes:	
County Tax (Abstract)	9,239,463.70
County Library Tax (Abstract)	628,136.41
County Open Space	547,208.43
Due County for Added Taxes (54-4-63.1 et. seq.)	530,449.63
Total County Taxes	10,945,258.17
Local Tax for Municipal Purposes	7,532,736.29
Add: Additional Tax Levied	1,877,210.20
Total Tax Levy	\$ 50,252,921.74

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021		\$ 267,083.22
Increased by:		
Transfers from Taxes Receivable	\$ 29,409.68	
Interest & Costs Accrued by Sale	3,718.50	33,128.18
		<hr/>
Subtotal		300,211.40
Decreased by:		
Collections		22,846.34
		<hr/>
Balance December 31, 2022		<u>\$ 277,365.06</u>

TOWNSHIP OF WOOLWICH
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022

	BALANCE DECEMBER 31, 2021	ACCRUED IN 2022	RECEIVED	BALANCE DECEMBER 31, 2022
Miscellaneous Revenue Anticipated:				
Municipal Court	\$ 4,073.44	\$ 53,451.58	\$ 52,239.52	\$ 5,285.50
Interest & Cost on Taxes	-	85,597.39	85,597.39	-
Energy Receipts Tax	-	414,809.00	414,809.00	-
Garden State Trust	-	5,939.00	5,939.00	-
Kingsway Regional Hgh School - SRO	-	225,131.44	225,131.44	-
Swedesboro/Woolwich School District - SRO	64,800.00	19,894.02	84,694.02	-
Shared Service Agreements - Swedesboro:				
Recreation - OE	-	8,000.00	8,000.00	-
Police Coverage and Protection	-	689,265.00	689,265.00	-
General Capital Fund Balance	-	128,258.25	128,258.25	-
Reserve for Debt Service	-	200,000.00	200,000.00	-
Debt Service Contribution from Open Space	-	346,000.00	346,000.00	-
Pension Contribution from UCC Trust Fund	-	35,000.00	35,000.00	-
NJ DOT Swedesboro - Due to General Capital	-	150,000.00	150,000.00	-
	<u>\$ 68,873.44</u>	<u>\$ 2,887,962.77</u>	<u>\$ 2,951,550.71</u>	<u>\$ 5,285.50</u>
			\$ 2,405,550.71	
			200,000.00	
			<u>346,000.00</u>	
Total			<u>\$ 2,951,550.71</u>	

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:				
General Administration:				
Salaries and Wages	0.02	0.02	-	0.02
Other Expenses	3,900.99	3,900.99	241.38	3,659.61
Mayor and Township Committee:				
Salaries and Wages	609.92	609.92	-	609.92
Other Expenses	73.11	73.11	-	73.11
Municipal Clerk:				
Other Expenses	1,475.31	1,475.31	1,128.33	346.98
Financial Administration (Treasury):				
Other Expenses	11,707.58	11,707.58	3,804.81	7,902.77
Revenue Administration:				
Salaries and Wages	2,550.04	2,550.04	-	2,550.04
Other Expenses	15.52	1,515.52	1,277.20	238.32
Legal Services (Legal Department):				
Other Expenses	107,336.17	85,836.17	51,073.35	34,762.82
Engineering Services and Costs:				
Other Expenses	19,563.59	19,563.59	17,733.56	1,830.03
Economic Development:				
Other Expenses	613.07	613.07	-	613.07
Land Use Administration:				
Planning Board:				
Other Expenses	24,314.62	14,314.62	13,273.68	1,040.94
Zoning Board:				
Other Expenses	365.00	365.00	-	365.00
Insurance:				
General Liability	6,619.85	6,619.85	2,299.50	4,320.35
Health Benefit Waiver	858.30	858.30	435.00	423.30
Employee Group Health				
Employee Health Benefits - Optional				
Cash Payment	40,532.39	40,532.39	-	40,532.39
Public Safety Functions:				
Police Department:				
Salaries and Wages	29,508.96	4,508.96	4,461.53	47.43
Other Expenses	12,300.09	37,300.09	30,395.61	6,904.48
Aid to Volunteer Fire Company:				
Other Expenses	35,422.77	35,422.77	35,391.03	31.74
Municipal Court:				
Salaries and Wages	6,562.41	6,562.41	-	6,562.41
Other Expenses	4,840.15	4,840.15	412.10	4,428.05
Public Works Functions:				
Snow Removal:				
Salaries and Wages	25.00	25.00	-	25.00
Other Expenses	19.87	50,019.87	50,019.87	-
Solid Waste Collection:				
Other Expenses	112,415.08	112,415.08	99,637.75	12,777.33
Streets & Road Maintenance:				
Other Expenses	13,501.90	13,501.90	5,361.80	8,140.10
Buildings & Grounds:				
Other Expenses	8,047.59	8,047.59	4,144.42	3,903.17
Vehicle Maintenance:				
Other Expenses	17,648.87	11,648.87	4,990.79	6,658.08
Health & Human Services:				
Public Health Services:				
Salaries and Wages	200.92	200.92	-	200.92
Other Expenses	114.00	114.00	-	114.00
Environmental Commission:				
Other Expenses	1,971.26	1,971.26	-	1,971.26
Park & Recreation Functions:				
Recreation Services and Program:				
Salaries and Wages	12,295.00	12,295.00	-	12,295.00
Maintenance of Parks:				
Other Expenses	39,600.74	39,600.74	13,805.71	25,795.03
Celebration of Public Events:				
Other Expenses	90.05	90.05	-	90.05
Utility Expenses & Bulk Purchases:				
Gasoline	223.26	6,223.26	5,620.98	602.28
Electricity	6,615.46	6,615.46	3,853.98	2,761.48
Street Lighting	12,641.64	12,641.64	12,060.00	581.64
Telephone	8,372.07	3,372.07	1,015.18	2,356.89
Water/Fire Hydrant Service	32,764.99	32,764.99	954.08	31,810.91
Heating	779.37	779.37	-	779.37
Cable TV & Internet	1,435.30	1,435.30	234.46	1,200.84
Landfill/Solid Waste Disposal Costs:				
Other Expenses	92,125.93	77,125.93	29,817.99	47,307.94
Interlocal Service Agreements - Kingsway Regional HS:				
SRO- Salaries and Wages	10,375.00	10,375.00	-	10,375.00
Interlocal Service Agreements - Swedesboro:				
Recreation	1,345.76	1,345.76	1,305.95	39.81
Deferred Charges & Statutory Expenditures:				
Social Security System (O.A.S.I.)	1,148.78	1,148.78	-	1,148.78
Defined Contribution Retirement Program	872.80	872.80	-	872.80
Public Defender:				
Salaries and Wages	425.00	425.00	-	425.00
Salary and Wage Adjustment Account:				
Salary and Wages	6,190.83	6,190.83	600.00	5,590.83
Total	\$ 690,416.33	\$ 690,416.33	\$ 395,350.04	\$ 295,066.29
2021 Appropriation Reserves	\$ 557,932.98	Cash	\$ 387,626.51	
2021 Encumbrances	132,483.35	Accounts Payable	7,723.53	
Total	\$ 690,416.33	Total	\$ 395,350.04	

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021:		
School Tax Deferred	\$ 5,410,504.32	
School Tax Payable	<u>3,104,163.48</u>	8,514,667.80
Increased by Levy:		
School Year July 1, 2022 - June 30, 2023		<u>17,201,521.00</u>
Subtotal		25,716,188.80
Decreased by:		
Payments		<u>17,115,428.01</u>
Subtotal		8,600,760.79
Balance December 31, 2022:		
School Tax Deferred	5,410,504.32	
School Tax Payable	<u>3,190,256.47</u>	
Balance December 31, 2022		<u><u>\$ 8,600,760.79</u></u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2022 Payments	\$ 17,115,428.01
Less School Taxes Payable at December 31, 2021	3,104,163.48
Plus School Taxes Payable at December 31, 2022	<u>3,190,256.47</u>
Amount Charged to 2022 Operations	<u><u>\$ 17,201,521.00</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021	\$ -
Increased by:	
Levy - Calendar Year	<u>11,951,790.00</u>
Subtotal	11,951,790.00
Decreased by:	
Payments	<u>11,951,790.00</u>
Balance December 31, 2022	<u><u>\$ -</u></u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$	484,958.21
Increased by:			
General County Taxes	\$	9,239,463.70	
County Library Taxes		628,136.41	
County Open Space Preservation		547,208.43	
County Added & Omitted Taxes		530,449.63	10,945,258.17
Subtotal			11,430,216.38
Decreased by:			
Payments			10,899,766.75
Balance, December 31, 2022		\$	<u>530,449.63</u>

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

GRANT	BALANCE DECEMBER 31, 2021	ANTICIPATED REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2022
State Grants:					
Municipal Alliance for Drug and Alcohol Abuse	\$ 23,766.20	\$ 1,500.00	-	-	\$ 25,266.20
Body Armor Grant	515.56	1,589.39	2,104.95	-	-
Sustainable Jersey Small Grant	10,862.85	-	-	-	10,862.85
Recycling Tonnage Grant	-	14,962.54	14,962.54	-	-
Alcohol Education and Rehabilitation Grant	-	908.80	-	908.80	-
Clean Communities Program	1,159.63	50,873.90	27,108.49	23,765.41	1,159.63
Drive Sober or Get Pulled Over	-	5,720.00	-	5,720.00	-
DVRPC - Master Plan	25,370.66	-	-	-	25,370.66
Federal Grants:					
Drunk Driving Enforcement Grant	1,616.60	2,800.00	-	-	4,416.60
Distracted Driving Grant	-	2,420.00	-	2,420.00	-
Click It or Ticket Grant	-	1,100.00	-	1,100.00	-
CDBG	13,239.20	-	-	-	13,239.20
Local Grants:					
LEAP- Logan	-	60,000.00	-	60,000.00	-
LEAP- South Harrison	-	51,050.00	-	51,050.00	-
NJDEP - Recreation Trails Program - local match	6,000.00	-	-	-	6,000.00
Total	\$ 82,530.70	\$ 192,924.63	\$ 44,175.98	\$ 144,964.21	\$ 86,315.14

Cash Receipts

\$ 44,175.98

Total

\$ 44,175.98

**TOWNSHIP OF WOOLWICH
CURRENT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2022**

APPROPRIATION	BALANCE DECEMBER 31, 2021	2022 BUDGET APPROPRIATION	ENCUMBRANCES RECLASSIFIED	EXPENDED	ENCUMBRANCES	BALANCE DECEMBER 31, 2022
State Grants:						
Recycling Tonnage Grant	\$ 84,150.12	\$ 14,962.54	-	-	-	\$ 99,112.66
SHARE Grant	19,918.99	-	-	-	-	19,918.99
Clean Communities Grant	44,374.44	50,873.90	146.94	19,840.69	500.00	75,054.59
Municipal Alliance for Drug and Alcohol Abuse: State Share	38,348.69	1,500.00	-	1,593.59	-	38,255.10
Hazardous Site Remediation Grants:						
Jersey Fresh Grant	600.00	-	-	-	-	600.00
Alcohol Education Rehabilitation Grant:						
Municipal Court - Salaries and Wages	3,158.41	908.80	-	-	-	4,067.21
Drive Sober or Get Pulled Over	2,475.00	5,720.00	-	280.00	-	7,915.00
Drunk Driving Enforcement Fund	-	2,800.00	-	1,397.24	-	1,402.76
Sustainable Jersey Small Grant	3,215.00	-	-	-	-	3,215.00
DVRPC - Master Plan	621.46	-	-	-	-	621.46
NJDEP - Recreation Trails Program						
Municipal Share	6,000.00	-	-	-	-	6,000.00
NJDOT - Shared Use Path	194,047.00	-	-	-	-	194,047.00
NJDOT - Bikeways	111,623.99	-	-	-	-	111,623.99
Total State	508,533.10	76,765.24	146.94	23,111.52	500.00	561,833.76
Federal Grants:						
Municipal Stormwater Regulation Grant	588.50	-	-	-	-	588.50
Body Armor Replacement Grant	4,134.26	1,589.39	-	1,589.39	-	4,134.26
Distracted Driving Grant	-	2,420.00	-	-	-	2,420.00
Click It or Ticket Grant	-	1,100.00	-	-	-	1,100.00
NJDEP - Recreation Trails Program	24,000.00	-	-	-	-	24,000.00
Community Development Block Grant	1,145.83	-	-	-	-	1,145.83
Total Federal	29,868.59	5,109.39	-	1,589.39	-	33,388.59
Local Grants:						
LEAP- Logan	-	60,000.00	-	-	-	60,000.00
LEAP- South Harrison	-	51,050.00	-	-	-	51,050.00
Municipal Alliance for Drug and Alcohol Abuse: Municipal Share	-	375.00	-	375.00	-	-
Total Local	-	111,425.00	-	375.00	-	111,050.00
Total	\$ 538,401.69	\$ 193,299.63	\$ 146.94	\$ 25,075.91	\$ 500.00	\$ 706,272.35

**TOWNSHIP OF WOOLWICH
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2022**

GRANT	BALANCE DECEMBER 31, 2021	TRANSFERRED TO 2022 GRANT APPROPRIATED	TRANSFERRED TO 2022 CURRENT FUND	RECEIVED	BALANCE DECEMBER 31, 2022
Federal Grants:					
Click It or Ticket	\$ 1,100.00	\$ 1,100.00	\$ -	\$ -	\$ -
Distracted Driving Grant	2,420.00	2,420.00	-	-	-
Drive Sober or Get Pulled Over	5,720.00	5,720.00	-	-	-
Total Federal Grants	9,240.00	9,240.00	-	-	-
State Grants:					
Alcohol Education Rehabilitation Grant	908.80	908.80	-	710.70	710.70
Clean Communities Grant	23,765.41	23,765.41	-	-	-
Body Armor Grant	-	-	-	6.57	6.57
NJDOT - Swedesboro Road	150,000.00	-	150,000.00	-	-
LEAP Grant - South Harrison	51,050.00	51,050.00	-	-	-
LEAP Grant - Logan	60,000.00	60,000.00	-	-	-
Total State Grants	285,724.21	135,724.21	150,000.00	717.27	717.27
Total Grants	\$ 294,964.21	\$ 144,964.21	\$ 150,000.00	\$ 717.27	\$ 717.27

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TRUST FUND

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**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

	TRUST OTHER	MUNICIPAL OPEN SPACE	ANIMAL CONTROL
Balance December 31, 2021	\$ 3,875,812.67	\$ 620,704.03	\$ 3,387.86
Increased by Receipts:			
Public Defender Fees	\$ 100.00	\$ -	\$ -
COAH Trust Funds	2,750,572.99	-	-
Unemployment Trust	7,436.81	-	-
Escrow Deposits	3,055,302.37	-	-
Woolwich Recreation Trust	59,464.76	-	-
Police Forfeited Funds	1,043.00	-	-
Deposits for Police Overtime	346,856.82	-	-
Municipal Open Space Tax	-	747,000.00	-
UCC Fees	2,281,329.72	-	-
Developer's Recreation Fees	210,550.00	-	-
Payroll	6,101,048.55	-	-
Snow Removal	53,471.66	-	-
POAA	18.00	-	-
Municipal Functions Developer's Fees	90,966.04	-	-
Election	14,900.00	-	-
Interfunds Received	-	75,857.49	-
Dog License Fees	-	-	4,390.00
State Aid	-	274,107.99	-
Interest	-	52.13	-
	<u>14,973,060.72</u>	<u>1,097,017.61</u>	<u>4,390.00</u>
Subtotal	<u>18,848,873.39</u>	<u>1,717,721.64</u>	<u>7,777.86</u>
Decreased by Disbursements:			
Animal Control Expenditures	-	-	3,479.72
Municipal Open Space	-	735,817.07	-
Woolwich Recreation Trust	64,820.47	-	-
Unemployment Trust	6,480.77	-	-
Developer's Tree Compensation	135.00	-	-
Police Overtime Expenses	223,459.19	-	-
COAH Trust Funds	356,952.00	-	-
Municipal Functions Developer's Fees	26,605.23	-	-
UCC Trust	1,051,119.70	-	-
Developer's Recreation Fees	9,869.02	-	-
Payroll	6,094,099.34	-	-
Snow Removal Trust	54,070.49	-	-
Escrow Disbursements	968,350.51	-	-
Polling for Local Elections	14,250.00	-	-
DCA Fees Paid to State	193,882.53	-	-
Encumbrances Payable	178,889.56	49,182.00	778.00
Interfunds Paid	-	154,356.64	94.24
	<u>9,242,983.81</u>	<u>939,355.71</u>	<u>4,351.96</u>
Balance December 31, 2022	<u>\$ 9,605,889.58</u>	<u>\$ 778,365.93</u>	<u>\$ 3,425.90</u>

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2022**

	TAX COLLECTOR TRUST FUND	
Balance - December 31, 2021	\$	80,957.09
Increased by:		
Received from Tax Sale	<u>\$ 71,726.22</u>	71,726.22
		152,683.31
Decreased by:		
Refund Upon Redemption	<u>15,900.00</u>	15,900.00
		15,900.00
Balance - December 31, 2022	<u>\$</u>	136,783.31

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021	\$ 2,509.62
Increased by Receipts:	
Dog License Fees	<u>4,396.00</u>
Subtotal	6,905.62
Decreased by Disbursements:	
Disbursements for Dog License Expenses	<u>3,479.72</u>
Balance December 31, 2022	<u><u>\$ 3,425.90</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2021	\$ 3,659.80
2020	<u>3,696.20</u>
Total	<u><u>\$ 7,356.00</u></u>

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021		\$ 464,256.32
Increased by:		
Tax Levy Received	\$ 709,000.00	
Added Taxes Due from Current Fund	35,416.08	
Reserve for Future Use	38,000.00	
Lapsed Appropriations	37,765.63	
State Aid	274,107.99	
Interest	52.13	1,094,341.83
	<u>52.13</u>	<u>1,094,341.83</u>
Subtotal		
Decreased by:		
Debt Service Payments Due to Current Fund	346,000.00	
Encumbrances	49,182.00	
Salaries and Wages	240,467.36	
Other Expenditures	149,349.71	784,999.07
	<u>149,349.71</u>	<u>784,999.07</u>
Balance December 31, 2022		<u>\$ 773,599.08</u>

TOWNSHIP OF WOOLWICH
TRUST MUNICIPAL OPEN SPACE FUND
STATEMENT OF APPROPRIATION RESERVES- MUNICIPAL OPEN SPACE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

OPERATIONS	APPROPRIATIONS			LAPSED BALANCE
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID	
Development of Lands for Recreation & Conservation:				
Salaries and Wages	\$ 29,000.00	\$ 29,000.00	\$ 29,000.00	\$ -
Other Expenses	37,765.63	37,765.63	-	37,765.63
Total	<u>\$ 66,765.63</u>	<u>\$ 66,765.63</u>	<u>\$ 29,000.00</u>	<u>\$ 37,765.63</u>

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

**TOWNSHIP OF WOOLWICH
TRUST FUND
SCHEDULE OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	INCREASED BY RECEIPTS	DECREASED BY DISBURSEMENTS	BALANCE DECEMBER 31, 2022
Public Defender	\$ 6,916.26	\$ 100.00	\$ -	\$ 7,016.26
Payroll Deductions Payable	44,934.03	6,101,048.55	6,094,099.34	51,883.24
Site Plan Review Escrow	1,862,675.84	3,055,302.37	968,350.51	3,949,627.70
Municipal Functions Donations	113,150.83	90,966.04	26,605.23	177,511.64
Police Overtime	19,373.22	346,856.82	223,459.19	142,770.85
UCC Trust	438,702.08	2,281,329.72	1,051,119.70	1,668,912.10
P.O.A.A. - Parking Fines	454.73	18.00	-	472.73
Police Forfeited Funds	7,379.57	1,043.00	-	8,422.57
Developer's Tree Compensation	295,710.60	-	135.00	295,575.60
Snow Removal	961.65	53,471.66	54,070.49	362.82
Developer's Recreation Fees	112,694.07	210,550.00	9,869.02	313,375.05
COAH Fees	430,188.10	2,750,572.99	356,952.00	2,823,809.09
Election	3,775.00	14,900.00	14,250.00	4,425.00
Woolwich Recreation Trust	30,504.74	59,464.76	64,820.47	25,149.03
Deposits for Redemption of Tax Liens	9,934.71	7,826.22	-	17,760.93
Tax Sale Premiums	71,022.38	63,900.00	15,900.00	119,022.38
Unemployment Trust	2,599.52	7,436.81	6,480.77	3,555.56
	<u>\$ 3,450,977.33</u>	<u>\$ 15,044,786.94</u>	<u>\$ 8,886,111.72</u>	<u>\$ 9,609,652.55</u>

GENERAL CAPITAL FUND

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**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2022 and 2021	\$ 328,323.15
Increased by:	
BAN Premiums	<u>197,369.41</u>
Subtotal	525,692.56
Decreased by:	
Budgetted Current Fund	<u>128,258.25</u>
Balance December 31, 2022	<u><u>\$ 397,434.31</u></u>

**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021	\$ 5,875,988.82
Increased by Receipts:	
Bond Anticipation Notes	\$ 9,068,496.00
Grant Receivable	678,251.77
Capital Improvement Fund	50,000.00
Interfunds	<u>1,212,753.10</u> 11,009,501
Subtotal	16,885,489.69
Decreased by Disbursements:	
Improvement Authorizations	10,240,817.75
Bond Anticipation Notes Payable	125,000.00
Interfunds	205,707.54
Loans Payable	<u>22,517.46</u> 10,594,042.75
Balance December 31, 2022	<u><u>\$ 6,291,446.94</u></u>

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BALANCE DECEMBER 31, 2021	BOND ANTICIPATION NOTES	DISBURSEMENTS			TRANSFERS		BALANCE DECEMBER 31, 2022
			RECEIPTS MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	TO	FROM	
Fund Balance	\$ 328,323.15	\$ -	\$ 197,369.41	\$ -	\$ -	\$ 128,258.25	\$ -	\$ 397,434.31
Due from Trust Other	(154,356.64)	-	154,356.64	-	-	-	-	-
Capital Improvement Fund	22,483.35	-	50,000.00	-	-	-	-	72,483.35
Due to Current Fund	(620,174.04)	-	705,171.46	-	197,369.41	-	128,258.25	15,886.26
Reserve for Encumbrances	2,480,207.42	-	-	-	-	2,480,207.42	2,949,944.22	2,949,944.22
Reserve for Payment of Debt	260,000.00	-	-	-	-	200,000.00	-	60,000.00
Reserve for Developer's Deposits	173,465.05	-	-	-	-	-	-	173,465.05
Expenditure without an Ordinance	(200,000.00)	-	-	-	-	-	200,000.00	-
IMPROVEMENT AUTHORIZATIONS:								
ORDINANCE								
NUMBER								
10-13	(138,300.10)	-	-	-	-	-	-	(138,300.10)
13-08	-	-	-	7,099.14	-	-	7,099.14	-
15-16	-	-	-	552.46	-	-	552.46	-
16-09	76,518.00	-	-	-	-	-	-	76,518.00
17-16	-	-	2,000.00	-	-	-	-	2,000.00
17-19	281,172.52	-	-	-	-	116,367.74	1,723,461.54	199,275.03
18-05	-	-	-	1,688,991.29	-	-	28,896.32	-
18-09	1,918,599.42	-	-	216,803.45	-	41,173.65	229,040.10	1,889,662.42
18-12	(504,635.35)	-	-	63,884.62	-	78,821.87	136,461.52	(510,880.32)
19-11	(220,750.00)	-	-	-	-	-	-	(220,750.00)
19-14	(568,032.62)	-	-	19,100.50	-	-	17,500.00	(569,633.12)
20-12a	(67,500.00)	-	-	-	-	-	200,594.03	133,094.03
20-13	2,384,483.45	-	-	67,104.46	-	142,370.42	59,460.04	2,234,468.61
21-19a	(53,210.04)	-	-	76,051.05	-	-	-	(129,261.09)
21-19b	3,750.00	-	-	-	-	-	25,000.00	28,750.00
21-19c	(23,750.00)	-	-	25,000.00	-	-	-	3,377.27
21-19d	(180,556.98)	-	-	102,895.33	-	-	-	(77,661.65)
21-20	678,252.23	9,068,496.00	678,251.77	7,946,439.13	-	92,634.67	-	(376,086.98)
Total	\$ 5,875,988.82	\$ 9,068,496.00	\$ 1,787,149.28	\$ 10,242,817.75	\$ 197,369.41	\$ 5,758,409.89	\$ 5,758,409.89	\$ 6,291,446.94

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021		\$ 11,877,408.78
Decreased by:		
Budget Appropriation to Pay General Serial Bonds	\$ 1,120,000.00	
Green Trust Loan Bonds	27,247.58	1,147,247.58
Balance December 31, 2022		<u><u>\$ 10,730,161.20</u></u>

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2022**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021	2022 AUTHORIZATIONS	REDUCTIONS	BALANCE DECEMBER 31, 2022	FINANCED BY NOTES	EXPENDED	UNEXPENDED IMPROVEMENT AUTHORIZATION
17-19	Various Sewer Improvements	\$ 15,400,000.00	\$ -	\$ -	\$ 15,400,000.00	\$ 15,400,000.00	\$ -	\$ -
18-09	Construction and Improvements of Open Space	3,000,000.00	-	38,000.00	2,962,000.00	2,500,000.00	-	462,000.00
18-12	Various Capital Improvements	2,000,000.00	-	-	2,000,000.00	1,000,000.00	510,880.32	489,119.68
19-11	Emergency Road & Drainage Repairs to Garwin Road	251,750.00	-	-	251,750.00	-	220,750.00	31,000.00
19-14	Acquisition of Trash Carts	570,000.00	-	-	570,000.00	-	569,633.12	366.88
20-13	Road and Drainage Improvements at Various Locations	3,325,000.00	-	87,000.00	3,238,000.00	3,200,000.00	-	38,000.00
21-19a	Acq. Of Various Equipment for Public Safety	118,750.00	-	-	118,750.00	-	69,801.05	48,948.95
21-19b	Acq. Of Various Equipment for Public Works and Fire Dept.	71,250.00	-	-	71,250.00	-	-	71,250.00
21-19c	Various Improvements to Fire Department Building	23,750.00	-	-	23,750.00	-	23,750.00	-
21-19d	Resurfacing and/or Repaving Various Twp. Roads	522,500.00	-	-	522,500.00	-	323,959.71	198,540.29
21-20	Completion of Sewer Infrastructure Improvements	9,068,496.00	-	-	9,068,496.00	9,068,496.00	-	-
	Total	\$ 34,351,496.00	\$ -	\$ 125,000.00	\$ 34,226,496.00	\$ 31,168,496.00	\$ 1,718,774.20	\$ 1,339,225.80

Pay Down on Notes from Current Fund

\$ 125,000.00

Total

\$ 125,000.00

ANALYSIS OF BALANCE DECEMBER 31, 2022	
Improvement Authorizations Unfunded	\$ 5,803,765.85
Less - Unexpended Proceeds of Bond Anticipation	
Notes Issued:	
Ordinance 2017-19	\$ 199,275.03
Ordinance 2018-09	1,927,662.42
Ordinance 2020-13	2,337,602.60
	<u>4,464,540.05</u>
	<u>\$ 1,339,225.80</u>

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM/(TO) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021		\$620,174.04
Increased by:		
Current Fund Expenditures	\$ 5,707.54	
BAN Premiums	197,369.41	
Expenditures without Ordinance	200,000.00	403,076.95
		403,076.95
Subtotal		1,023,250.99
Decreased by:		
Budgeted Current Fund	328,258.25	
Interfunds Liquidated	710,879.00	1,039,137.25
		1,039,137.25
Balance December 31, 2022		\$ (15,886.26)

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021	\$ 888,122.37
Decreased By:	
Grants Received- LFRF	678,251.77
Balance December 31, 2022	\$ 209,870.60

Analysis of Grants Receivable

New Jersey Department of Transportation- Russell Mill Road	\$ 142,370.60
New Jersey Department of Transportation- Rainey Road	67,500.00
Total	\$ 209,870.60

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021	\$ 22,483.35
Increased By:	
Budget Appropriation	<u>50,000.00</u>
Balance December 31, 2022	<u><u>\$ 72,483.35</u></u>

TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATIONS	RECLASSIFICATION PRIOR YEAR PAYABLES	EXPENDED	CURRENT YEAR ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2022	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
10-13	Russell Mill Road Phase 3 & 4	5/17/2010	\$ 420,000.00	\$ 4,070.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,070.50	\$ -
13-08	Various Capital Improvements and Equipment	9/16/2013	380,000.00	-	-	-	7,099.14	-	-	-	-
15-16	Roadway Improvements	9/21/2015	375,000.00	-	-	-	552.46	-	-	-	-
16-09	Acquisition of Transfer Development Rights	8/1/2016	2,100,000.00	76,518.00	-	-	-	-	-	76,518.00	-
17-16	Various Roadway and Drainage Improvements	8/21/2017	193,000.00	-	-	-	15.00	-	15.00	-	-
17-19	Various Sewer Improvements	12/18/2017	15,400,000.00	-	281,172.52	-	1,723,461.54	1,688,991.29	116,367.74	-	199,275.03
18-05	Various Roadway Improvements	5/7/2018	147,000.00	-	-	-	28,896.32	-	-	-	-
18-09	Construction and Improvements of Open Space	5/21/2018	3,250,000.00	-	2,418,599.42	-	229,040.10	216,803.45	41,173.65	-	2,389,662.42
18-12	Various Capital Improvements	8/20/2018	2,125,000.00	-	495,364.65	-	136,461.52	63,884.62	78,821.87	-	489,119.68
19-11	Emergency Road and Drainage Repairs to Garwin Road	8/5/2019	265,000.00	-	31,000.00	-	-	-	-	-	31,000.00
19-14	Acquisition of Trash Carts	9/3/2019	600,000.00	-	1,967.38	-	17,500.00	19,100.50	-	-	366.88
20-13	Road & Drainage Improvements at Various Locations	8/3/2020	3,500,000.00	-	2,384,483.45	-	200,594.03	67,104.46	142,370.42	-	2,375,602.60
21-19a	Acq. of Various Equipment for Public Safety	9/7/2021	125,000.00	-	65,539.96	-	59,460.04	76,051.05	-	-	48,948.95
21-19b	Acq. of Various Equipment for Public Works & Fire Dept.	9/7/2021	75,000.00	3,750.00	71,250.00	-	-	-	-	3,750.00	71,250.00
21-19b	Various Improvements to Fire Dept. Building	9/7/2021	25,000.00	-	-	-	25,000.00	-	-	-	-
21-19d	Resurfacing & Repairing Various Twp. Roads	9/7/2021	550,000.00	-	341,943.02	-	52,127.27	102,895.33	92,634.67	-	198,540.29
21-20	Completion of Sewer Infrastructure Improvements	9/7/2021	10,425,000.00	1,356,504.00	9,068,496.00	-	-	7,946,439.13	2,478,560.87	-	-
Total				\$ 1,440,842.50	\$ 15,159,816.40	\$ -	\$ 2,480,207.42	\$ 10,240,817.75	\$ 2,949,944.22	\$ 86,338.50	\$ 5,803,765.85

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2022		INTEREST RATE	BALANCE DECEMBER 31, 2021	INCREASED	DECREASED	BALANCE DECEMBER 31, 2022
			DATE	AMOUNT					
General Obligation Refunding Bonds - Series 2015	4/30/2015	\$ 5,260,000.00	12/15/2023	\$ 525,000.00	3.000%	\$ 2,135,000.00	\$ -	\$ 515,000.00	\$ 1,620,000.00
			12/15/2024	535,000.00	3.000%				
			12/15/2025	560,000.00	3.000%				
General Obligation Bonds - 2016	10/13/2016	5,500,000.00	10/1/2023	230,000.00	4.000%	4,505,000.00	-	225,000.00	4,280,000.00
			10/1/2024	235,000.00	4.000%				
			10/1/2025	240,000.00	4.000%				
			10/1/2026	325,000.00	2.000%				
			10/1/2027	325,000.00	2.000%				
			10/1/2028	325,000.00	2.250%				
			10/1/2029	325,000.00	2.250%				
			10/1/2030	325,000.00	2.500%				
			10/1/2031	325,000.00	2.500%				
			10/1/2032	325,000.00	2.750%				
			10/1/2033	325,000.00	3.000%				
			10/1/2034	325,000.00	3.000%				
			10/1/2035	325,000.00	3.000%				
			10/1/2036	325,000.00	3.000%				
			General Obligation Refunding Bonds - Series 2017	8/23/2017	6,535,000.00				
7/1/2024	410,000.00	3.000%							
7/1/2025	425,000.00	3.000%							
7/1/2026	445,000.00	3.000%							
7/1/2027	460,000.00	4.000%							
7/1/2028	480,000.00	4.000%							
7/1/2029	500,000.00	4.000%							
7/1/2030	520,000.00	4.000%							
7/1/2031	545,000.00	4.000%							
7/1/2032	560,000.00	4.000%							
Totals						\$ 11,755,000.00	\$ -	\$ 1,120,000.00	\$ 10,635,000.00

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST LOANS
FOR THE YEAR ENDED DECEMBER 31, 2022**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2022		INTEREST RATE	BALANCE DECEMBER 31, 2021	DECREASED	BALANCE DECEMBER 31, 2022		
			DATE	AMOUNT						
Locke Avenue Park	1/4/2002	\$ 150,000.00	N/A	N/A	N/A	\$ 4,617.58	\$ 4,617.58	\$ -		
	4/26/2007	400,000.00	4/26/2023	\$ 11,485.03	2.00%	117,791.20	22,630.00	95,161.20		
Park Expansion			10/26/2023	11,599.88	2.00%					
			4/26/2024	11,715.88	2.00%					
			10/26/2024	11,833.03	2.00%					
			4/26/2025	11,951.36	2.00%					
			10/26/2025	12,070.88	2.00%					
			4/26/2026	12,191.60	2.00%					
			10/26/2026	12,313.50	2.00%					
Total								\$ 122,408.78	\$ 27,247.58	\$ 95,161.20

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2022**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021	2022 ADDITIONS	2022 REDUCTIONS	BALANCE DECEMBER 31, 2022
17-19	Various Sewer Improvements	\$ 15,400,000.00	\$ 15,400,000.00	\$ 15,400,000.00	\$ 15,400,000.00
18-09	Construction and Improvements of Open Space	2,500,000.00	2,500,000.00	2,538,000.00	2,462,000.00
18-12	Various Capital Improvements	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
20-13	Road & Drainage Improvements at Various Locations	3,325,000.00	3,325,000.00	3,412,000.00	3,238,000.00
21-20	Completion of Sewer Infrastructure Improvements	-	9,068,496.00	-	9,068,496.00
	Total	\$ 22,225,000.00	\$ 31,293,496.00	\$ 22,350,000.00	\$ 31,168,496.00

**TOWNSHIP OF WOOLWICH
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2022**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021	2022 AUTHORIZATIONS	2022 REDUCTIONS	BALANCE DECEMBER 31, 2022
18-09	Construction and Improvements of Open Space	\$ 500,000.00	-	-	\$ 500,000.00
18-12	Various Capital Improvements	1,000,000.00	-	-	1,000,000.00
19-11	Emergency Road & Drainage Repairs to Garwin Road	251,750.00	-	-	251,750.00
19-14	Acquisition of Trash Carts	570,000.00	-	-	570,000.00
21-19	Various Equipment Acquisitions & Capital Improvements	736,250.00	-	-	736,250.00
21-20	Completion of Sewer Infrastructure Improvements	9,068,496.00	-	9,068,496.00	-
Total		\$ 12,126,496.00	\$ -	\$ 9,068,496.00	\$ 3,058,000.00

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Township of Woolwich's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2022. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Woolwich complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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; the audit requirements of *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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; Uniform Guidance; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

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

Medford, New Jersey
September 20, 2023

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TOWNSHIP OF WOOLWICH
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED DECEMBER 31, 2022

STATE FUNDING DEPARTMENT	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD	(UNEARNED REVENUE)/ BALANCE DECEMBER 31, 2021	CASH RECEIVED	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	(UNEARNED REVENUE)/ BALANCE DECEMBER 31, 2022	CUMULATIVE EXPENDITURES DECEMBER 31, 2022
General Capital Fund											
U.S. Department of Treasury:	21.027	100-022-8030-687	\$ 1,356,504	3/3/2021-12/31/2024	\$ (678,252)	\$ 678,252	\$ (1,356,504)	\$ -	\$ -	\$ -	\$ (1,356,504)
Subtotal					(678,252)	678,252	(1,356,504)	-	-	-	(1,356,504)
Total U.S. Department of Treasury					(678,252)	678,252	(1,356,504)	-	-	-	(1,356,504)
Total General Capital Fund											
Federal and State Grant Fund											
U.S. Department of Justice:	16.607	unavailable	1,589	1/1/2022-12/31/2022	-	1,589	(1,589)	-	-	-	(1,589)
Bulletproof Vest Partnership Program					-	1,589	(1,589)	-	-	-	(1,589)
Subtotal					-	1,589	(1,589)	-	-	-	(1,589)
Total U.S. Department of Justice					-	1,589	(1,589)	-	-	-	(1,589)
Total Federal and State Grant Fund					-	1,589	(1,589)	-	-	-	(1,589)
Current Fund											
U.S. Department of Homeland Security:	97.036	100-066-1200-C73	829,395	12/11/2020-12/31/2023	-	829,395	-	-	-	(829,395)	-
Disaster Grants- Public Assistance Grants					-	829,395	-	-	-	(829,395)	-
Subtotal					-	829,395	-	-	-	(829,395)	-
Total U.S. Department of Homeland Security					-	829,395	-	-	-	(829,395)	-
Total Current Fund					-	829,395	-	-	-	(829,395)	-
Total Federal Financial Assistance					(678,252)	1,509,236	(1,338,093)	\$ -	\$ -	(829,395)	(1,338,093)

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TOWNSHIP OF WOOLWICH
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal financial awards present the activity of all federal award programs of the Township of Woolwich. The Township is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies is included on the schedule of expenditures of federal awards.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Township did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

	Federal	Total
Current Fund	\$ 1,356,504.00	\$ 1,356,504.00
State & Federal Grant Fund	1,589.00	1,589.00
Total	\$ 1,358,093.00	\$ 1,358,093.00

Note 4. Relationship to State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal financial reports.

TOWNSHIP OF WOOLWICH
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 5. Loans Outstanding

The Township had no loan balances outstanding at December 31, 2022.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant program for economy, efficiency and program results. However, the Township administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

TOWNSHIP OF WOOLWICH

PART III

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**TOWNSHIP OF WOOLWICH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Adverse - GAAP; Unmodified - Regulatory Basis
Internal control over financial reporting:	
1) Material weakness(es) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
2) Significant deficiency(ies) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

Federal Awards

Internal control over major programs:	
1) Material weakness(es) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
2) Significant deficiency(ies) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 State and Local Fiscal Recovery Funds

Dollar threshold used to determine Type A programs	\$750,000
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

**TOWNSHIP OF WOOLWICH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance - SECTION NOT APPLICABLE

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

Internal control over major programs:

1) Material weakness(es) identified? _____ yes _____ no

2) Significant deficiency(ies) identified? _____ yes _____ no

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? _____ yes _____ no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

**TOWNSHIP OF WOOLWICH
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Finding No. 2022-001

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, 2022.

Context

Adjustments were required to balance the current, state and federal grants, general capital, open space, and trust other general ledgers for the year ended December 31, 2022.

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 FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Finding No. 2022-002

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
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Finding No. 2022-003

Criteria of Specific Requirement:

Accurate monthly cash reconciliations should be prepared for all bank accounts.

Condition:

The Township did not prepare accurate monthly reconciliations of all bank accounts.

Context:

The bank account reconciliations contained discrepancies.

Effect or Potential Effect:

Without accurate bank reconciliation, the immediate and current identification of assets, liabilities, revenues, expenditures, and fund balance cannot be achieved.

Cause:

Proper internal control policies and procedures over bank reconciliations are not in place to properly reconcile bank balances to general ledger balances.

Recommendation:

That cash reconciliations for each bank account be accurately completed monthly to ensure adequate controls over cash balances.

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.

**TOWNSHIP OF WOOLWICH
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE

N/A – State single audit not required.

TOWNSHIP OF WOOLWICH
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Financial Statement Findings

Finding No. 2021-001

Condition

Closing and adjusting audit entries were not posted to the general ledger for the year ended December 31, 2021. 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, 2021.

Current Status

A similar condition remains as Finding No. 2022-001.

Finding No. 2020-002

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.

Current Status

This condition remains as Finding No. 2022-002.

Finding No. 2021-003

Condition

The Township's Statement of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis reflects a Deferred Charge to Future Taxation – Expenditure without an Ordinance in the amount of \$200,000.00.

Current Status

This condition has been corrected.

FEDERAL AWARDS

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

STATE FINANCIAL ASSISTANCE

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

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2022:

<u>Name</u>	<u>Title</u>
Craig Frederick	Mayor
Dennis Callahan	Deputy Mayor
Michael Nocentino	Committee Member
Vernon R. Marino	Committee Member
Cindy Minhas	Committee Member
Jane DiBella	Township Administrator/Clerk
Lois Yarrington	Chief Financial Officer
Kim Jaworski	Tax Collector
Anthony Hoglen	Construction Code Official
Angela M. Kalnas	Court Administrator
Kelly Conroy	Court Magistrate
Marla Gaglione, Esq.	Municipal Attorney
Remington & Vernick Engineers	Engineer

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

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TOWNSHIP OF WOOLWICH

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2022.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 through year end of December 31, 2022.

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 3, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

BE IT FURTHER RESOLVED, by the Council of the Township, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2022-001 (*Financial Statement Finding 2022-001*) - Closing and adjusting audit entries were not posted to the general ledger for the year ended December 31, 2022 as a result, cash balances could not be reconciled timely.

Finding 2022-002 (*Financial Statement Finding 2022-002*) - 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.

Finding 2022-003 (*Financial Statement Finding 2022-003*) - The Township did not prepare accurate monthly reconciliations of all bank accounts.

RECOMMENDATIONS:

Finding 2022-001: 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.

Finding 2022-002: 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.

Finding 2022-003: That cash reconciliations for each bank account be accurately completed monthly to ensure adequate controls over cash balances.

Appreciation

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

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

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

Medford, New Jersey
September 20, 2023