

TOWNSHIP OF PILESGROVE

COUNTY OF SALEM

REPORT OF AUDIT

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



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TOWNSHIP OF PILESGROVE
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Pilesgrove
Pilesgrove, New Jersey 08098

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Pilesgrove, in the County of Salem, State of New Jersey, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Pilesgrove, in the County of Salem, State of New Jersey, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021, on our consideration of the Township of Pilesgrove, in the County of Salem, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Pilesgrove's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Pilesgrove's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 24, 2021

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Pilesgrove
Pilesgrove, New Jersey 08098

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Pilesgrove, in the County of Salem, State of New Jersey, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 24, 2021. That report indicated that the Township of Pilesgrove's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Pilesgrove's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Pilesgrove's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Pilesgrove'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Pilesgrove'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 24, 2021

TOWNSHIP OF PILESGROVE
CURRENT FUND

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash and Cash Equivalents:			
Cash--Treasurer	SA-1	\$ 4,450,421.24	\$ 3,831,614.12
Cash--Change Funds	SA-3	450.00	450.00
		<u>4,450,871.24</u>	<u>3,832,064.12</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	345,039.57	384,637.93
Tax Title Liens Receivable	SA-5	267,027.04	486,403.52
Property Acquired for Taxes	SA-7	747,100.00	
Revenue Accounts Receivable	SA-8	776.48	1,371.29
Property Maintenance Liens Receivable	A	560.00	560.00
Due from Animal Control Trust Fund	SB-3	4.14	
Due from Trust Other Fund	SB-5	51,432.17	51,410.45
Due from Municipal Open Space Trust Fund	SB-7	4,600.74	4,600.74
		<u>1,416,540.14</u>	<u>928,983.93</u>
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-6	2,500.00	2,000.00
		<u>5,869,911.38</u>	<u>4,763,048.05</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-24	27,501.46	32,411.88
Grants Receivable	SA-22	12,768.50	9,104.42
		<u>40,269.96</u>	<u>41,516.30</u>
		<u>\$ 5,910,181.34</u>	<u>\$ 4,804,564.35</u>

(Continued)

TOWNSHIP OF PILESGROVE
CURRENT FUND

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

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves	A-3	\$ 175,848.88	\$ 147,692.25
Reserve for Encumbrances	A-3;SA-9	47,953.33	21,657.98
Accounts Payable	SA-12	4,620.00	4,620.00
Reserve for:			
Master Plan	A	572.50	572.50
Revaluation	A	7,773.60	7,773.60
Due State of New Jersey:			
Marriage Licenses	SA-10	225.00	25.00
DCA Training Fees	SA-11	638.00	1,826.00
Prepaid Taxes	SA-13	291,591.75	234,876.26
Tax Overpayments	SA-14	29,817.50	19,204.37
Due Federal and State Grant Fund	SA-24	27,501.46	32,411.88
Due Municipal Open Space Trust Fund	SB-7	2,666.78	2,232.22
Due General Capital Fund	SC-6	268,437.91	39,924.58
County Taxes Payable - Added & Omitted	SA-16	309.97	309.97
Reserve for Abandoned Property Fees	SA-19	113,041.33	86,777.28
Reserve for Fire Safety Penalties and Fines	SA-20	1,074.05	7,164.05
Reserve for Demolition	SA-21	11,960.00	
Regional District School Taxes Payable	SA-17	1,630,768.98	1,547,367.48
		<u>2,614,801.04</u>	<u>2,154,435.42</u>
Reserves for Receivables	A	1,416,540.14	928,983.93
Fund Balance	A-1	1,838,570.20	1,679,628.70
Total Regular Fund		<u>5,869,911.38</u>	<u>4,763,048.05</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-23	752.00	187.00
Reserve for Federal and State Grants:			
Unappropriated	SA-25		7,489.09
Appropriated	SA-23	39,517.96	33,840.21
Total Federal and State Grant Fund		<u>40,269.96</u>	<u>41,516.30</u>
		<u>\$ 5,910,181.34</u>	<u>\$ 4,804,564.35</u>

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

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

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 424,340.87	\$ 569,300.00
Miscellaneous Revenues Anticipated	773,904.48	780,282.73
Receipts from Delinquent Taxes	404,372.43	403,337.55
Receipts from Current Taxes	14,850,777.58	14,300,782.27
Other Non-Budget Revenues	31,387.65	78,812.83
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	123,367.61	104,628.97
Total Income	16,608,150.62	16,237,144.35
Expenditures:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salary and Wages	607,479.00	583,998.00
Other Expenses	683,635.00	647,750.00
Deferred Charges and Statutory Expenditures	108,668.00	114,629.00
Excluded from "CAPS":		
Operations:		
Salary and Wages	41,500.00	40,600.00
Other Expenses	57,325.41	55,158.71
Capital Improvements	230,000.00	160,000.00
Debt Service	354,687.37	538,479.10
County Taxes	5,582,093.26	5,463,745.33
County Added Taxes	16,987.88	11,469.14
Municipal Open Space Tax	141,240.55	141,182.15
Regional District School Tax	8,181,538.00	8,014,735.00
Other Debits to Income:		
Refund of Prior Year Revenue	19,687.92	
Prior Year Senior Citizen Deductions Disallowed by Collector		750.00
Creation of Interfunds	25.86	16,229.53
Total Expenditures	16,024,868.25	15,788,725.96
Excess in Revenues	583,282.37	448,418.39
Fund Balance January 1	1,679,628.70	1,800,510.31
	2,262,911.07	2,248,928.70
Decreased by:		
Utilization as Anticipated Revenue	424,340.87	569,300.00
Fund Balance December 31	\$ 1,838,570.20	\$ 1,679,628.70

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

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 424,340.87		\$ 424,340.87	
Miscellaneous Revenues:				
Local Revenues:				
Fees and Permits	8,000.00		28,656.63	\$ 20,656.63
Municipal Court Fines and Costs	22,000.00		13,988.75	(8,011.25)
Interest and Costs on Taxes	82,000.00		102,101.50	20,101.50
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	429,050.00		429,049.99	(0.01)
Garden State Trust	23,256.00		15,076.00	(8,180.00)
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	76,000.00		60,085.00	(15,915.00)
Interlocal Municipal Service Agreements Offset with Appropriations:				
Interlocal Service Agreement - Pilesgrove Joint Court	45,900.00		70,020.15	24,120.15
Public and Private Revenues Offset With Appropriations:				
Recycling Tonnage Grant	7,489.09		7,489.09	
Clean Communities Program		\$ 14,719.49	14,719.49	
Municipal Alliance on Alcoholism and Drug Abuse	7,527.00		7,527.00	
Co-Match - Borough of Woodstown	940.88		940.88	
Joint Insurance Fund EPL/Cyber	1,000.00		1,000.00	
Joint Insurance Fund Safety Incentive	3,000.00		3,000.00	
Joint Insurance Fund Optional Safety	750.00		750.00	
Joint Insurance Fund Wellness	500.00		500.00	
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Other Special Items:				
COAH Trust - Debt Payment	19,000.00		19,000.00	
Total Miscellaneous Revenues	726,412.97	14,719.49	773,904.48	32,772.02
Receipts from Delinquent Taxes	391,820.00		404,372.43	12,552.43
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	1,344,151.00		1,746,930.36	402,779.36
Budget Totals	2,886,724.84	14,719.49	3,349,548.14	448,103.81
Nonbudget Revenues			31,387.65	31,387.65
	\$ 2,886,724.84	\$ 14,719.49	\$ 3,380,935.79	\$ 479,491.46

(Continued)

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

Allocation of Current Tax Collections

Revenue from Collections	\$ 14,850,777.58
Allocated to:	
Regional School, County, and Municipal Open Space Taxes	<u>13,921,859.69</u>
Balance for Support of Municipal Budget Appropriations	928,917.89
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>818,012.47</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 1,746,930.36</u></u>

Analysis of Receipts from Delinquent Taxes

Delinquent Property Taxes Receivable	\$ 367,766.25
Tax Title Liens Receivable	<u>36,606.18</u>
Delinquent Property Taxes Receivable	<u><u>\$ 404,372.43</u></u>

Analysis of Non-Budget Revenue

Recycling Refunds	\$ 3,535.66
Cable Franchise Fees	11,536.62
Senior Citizen and Veterans' Deductions Administrative Fee	750.00
Elections	2,075.00
Liquor Licenses	1,728.00
Farm Lease	6,095.00
Interest on Investments	5,261.31
Miscellaneous	96.00
Insurance Dividend	150.06
Tax Search Fees	50.00
Tax Collector:	
Recording Fees	60.00
Tax Searches	<u>50.00</u>
Total Non-Budget Revenue	<u><u>\$ 31,387.65</u></u>
Treasurer	\$ 31,120.56
Tax Collector	110.00
Due from Animal Control Trust Fund	8.09
Due from Trust Other Fund	<u>149.00</u>
Treasurer	<u><u>\$ 31,387.65</u></u>

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

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

	Original Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS						
GENERAL GOVERNMENT:						
Administrative and Executive						
Salaries and Wages	\$ 39,000.00	\$ 39,000.00	\$ 38,458.82		\$ 541.18	
Other Expenses						
Ordinance Codification	4,000.00	1,500.00	1,195.00		305.00	
Miscellaneous	8,000.00	8,000.00	2,335.59		5,664.41	
Computer Maintenance O/E	5,000.00	5,000.00			5,000.00	
Township Clerk						
Salaries and Wages	69,150.00	69,950.00	69,950.00			
Other Expenses	15,000.00	8,000.00	6,063.07	\$ 829.08	1,107.85	
Financial Administration						
Salaries and Wages	36,000.00	36,975.00	36,970.44		4.56	
Other Expenses	10,000.00	11,200.00	10,548.71	60.99	590.30	
Audit	35,000.00	35,000.00	33,575.00		1,425.00	
Assessment of Taxes						
Salaries and Wages	25,000.00	26,700.00	26,103.00		597.00	
Other Expenses						
Miscellaneous	7,500.00	4,800.00	2,475.28	1,544.05	780.67	
Tax Map Maintenance	1,500.00	1,500.00	950.00	550.00		
Collection of Taxes						
Salaries and Wages	30,000.00	30,000.00	29,141.02		858.98	
Other Expenses	8,000.00	8,000.00	6,633.56	1,362.50	3.94	
Liquidation of Tax Title Liens and Foreclosed Property						
Other Expenses	7,000.00	7,000.00	6,438.16		561.84	
Legal Services						
Potential Litigation and Associated Costs	7,500.00	5,085.00			5,085.00	
Miscellaneous	25,000.00	25,000.00	6,779.86		18,220.14	
Engineering Services and Costs						
Other Expenses	6,500.00	6,500.00	2,617.50	500.00	3,382.50	
Registrar of Vital Statistics						
Salaries and Wages	5,200.00	5,200.00	5,146.13		53.87	
Public Defender						
Other Expenses	5,000.00	5,000.00	3,749.99		1,250.01	

(Continued)

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

	Original Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
GENERAL GOVERNMENT (CONT'D):						
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Land Use Development Board						
Salaries and Wages	\$ 6,900.00	\$ 6,900.00	\$ 6,855.07		\$ 44.93	
Other Expenses	13,400.00	15,400.00	2,713.46	\$ 10,700.19	1,986.35	
Zoning Officer						
Salaries and Wages	18,100.00	18,100.00	18,005.52		94.48	
Other Expenses	1,000.00	1,000.00	381.59	29.05	589.36	
Municipal Court						
Salaries and Wages	37,454.00	37,454.00	35,300.01		2,153.99	
Other Expenses	5,600.00	5,600.00	1,464.99	700.00	3,435.01	
Prosecutor						
Other Expenses	13,000.00	13,000.00	13,000.00			
PUBLIC SAFETY:						
Aid to Volunteer Fire Company						
Other Expenses	46,000.00	46,000.00	46,000.00			
First Aid Organization - Contributions	20,000.00	20,000.00	20,000.00			
Office of Emergency Management						
Salaries and Wages	6,150.00	6,550.00	5,933.98		616.02	
Other Expenses	500.00	500.00			500.00	
Road Repairs and Maintenance						
Salaries and Wages	178,500.00	178,500.00	161,657.79		16,842.21	
Other Expenses	46,910.00	46,910.00	18,645.03	23,385.78	4,879.19	
Public Buildings and Grounds						
Other Expenses	35,000.00	35,000.00	17,925.46	1,505.82	15,568.72	
Snow Removal						
Other Expenses	3,000.00	3,000.00	3,000.00			
Sanitation						
Other Expenses	10,000.00	10,000.00	2,828.49	146.47	7,025.04	
Solid Waste Disposal						
Salaries and Wages	54,100.00	54,100.00	50,425.03		3,674.97	
Other Expenses (N.J.S.A. 40A:4-48 \$65,000.00)	101,000.00	176,000.00	92,387.82	5,056.00	13,556.18	\$ 65,000.00
Stormwater Maintenance	1,500.00	1,500.00	500.00		1,000.00	
HEALTH AND WELFARE:						
Board of Health						
Other Expenses	300.00	300.00	221.00		79.00	
Environmental Commission						
Other Expenses	200.00	200.00	187.50		12.50	
Dog Regulation						
Other Expenses	4,000.00	6,000.00	4,733.64		1,266.36	

(Continued)

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

	Original Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
PARKS AND RECREATION						
Recreation and Education Parks and Playgrounds						
Salaries and Wages	\$ 32,300.00	\$ 33,300.00	\$ 31,512.83		\$ 1,787.17	
Celebration of Public Event						
Other Expenses	600.00	600.00			600.00	
INSURANCE:						
Other Insurance Premiums	56,500.00	56,500.00	49,714.00		6,786.00	
Group Insurance Plans for Employees	117,000.00	117,000.00	102,628.98		14,371.02	
Group Insurance - Waivers	1,500.00	1,300.00	750.00		550.00	
NJ UI & Disability	1,000.00	2,240.00	2,214.75		25.25	
STATE UNIFORM CONSTRUCTION CODE:						
Construction Code Official						
Salaries and Wages	64,750.00	64,750.00	61,557.99		3,192.01	
Other Expenses	9,000.00	9,000.00	2,258.79	\$ 32.04	6,709.17	
UTILITIES:						
Electric	20,000.00	18,500.00	11,676.11		6,823.89	
Street Lighting	15,000.00	15,000.00	13,114.63		1,885.37	
Gas	8,000.00	4,000.00	2,335.14	453.97	1,210.89	
Telephone	13,500.00	12,500.00	10,690.62	326.66	1,482.72	
Total Operations -- Within "CAPS"	1,291,114.00	1,356,114.00	1,079,751.35	47,182.60	164,180.05	\$ 65,000.00
Detail:						
Salaries and Wages	602,604.00	607,479.00	577,017.63	-	30,461.37	-
Other Expenses (Including Contingent)	688,510.00	748,635.00	502,733.72	47,182.60	133,718.68	65,000.00
DEFERRED CHARGES AND REGULATORY EXPENDITURES						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	56,168.00	56,168.00	56,168.00			
Social Security System (O.A.S.I.)	50,000.00	50,000.00	47,390.45		2,609.55	
Defined Contribution Retirement Plan	2,500.00	2,500.00	2,057.18		442.82	
Total Deferred Charges & Statutory Expenditures -- Within "CAPS"	108,668.00	108,668.00	105,615.63	-	3,052.37	-
Total General Appropriations -- Within "CAPS"	1,399,782.00	1,464,782.00	1,185,366.98	47,182.60	167,232.42	65,000.00

(Continued)

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

	Original Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Aid to Privately Owned Reading Room						
Other Expenses	\$ 2,500.00	\$ 2,500.00			\$ 2,500.00	
LOSAP (N.J.S.A. 40A:14-185)	10,800.00	10,800.00	\$ 10,000.00		800.00	
Recycling Tax	2,758.08	2,758.08	2,758.08			
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Municipal Court						
Salaries and Wages	41,500.00	41,500.00	38,091.81		3,408.19	
Other Expenses	4,400.00	4,400.00	1,721.00	\$ 770.73	1,908.27	
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES						
Clean Communities Grant (N.J.S.A. 40A: 4-87 \$14,719.49)		14,719.49	14,719.49			
Recycling Tonnage Grant	7,489.09	7,489.09	7,489.09			
Municipal Alliance Substance Abuse Grant						
State Share	7,527.00	7,527.00	7,527.00			
Local Share:						
Woodstown Borough	940.88	940.88	940.88			
Township of Pilesgrove	940.87	940.87	940.87			
Joint Insurance Fund Safety Incentive	3,000.00	3,000.00	3,000.00			
Joint Insurance Fund Optional Safety	750.00	750.00	750.00			
Joint Insurance Fund Wellness	500.00	500.00	500.00			
Join Insurance Fund EPL/Cyber	1,000.00	1,000.00	1,000.00			
Total Operations -- Excluded from "CAPS"	84,105.92	98,825.41	89,438.22	770.73	8,616.46	-
Detail:						
Salaries and Wages	41,500.00	41,500.00	38,091.81	-	3,408.19	-
Other Expenses	42,605.92	57,325.41	51,346.41	770.73	5,208.27	-
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	230,000.00	230,000.00	230,000.00			
Total Capital Improvements -- Excluded from "CAPS"	230,000.00	230,000.00	230,000.00	-	-	-

(Continued)

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

	Original Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 109,347.00	\$ 109,347.00	\$ 109,347.00			
Payment of Bond Anticipation Notes	164,300.00	164,300.00	164,300.00			
Interest on Bonds	66,277.45	66,277.45	66,240.05			\$ 37.40
Interest on Notes	14,900.00	14,900.00	14,800.32			99.68
Total Municipal Debt Service -- Excluded from "CAPS"	354,824.45	354,824.45	354,687.37	-	-	137.08
Total General Appropriations -- Excluded from "CAPS"	668,930.37	683,649.86	674,125.59	\$ 770.73	\$ 8,616.46	137.08
SUBTOTAL GENERAL APPROPRIATIONS	2,068,712.37	2,148,431.86	1,859,492.57	47,953.33	175,848.88	65,137.08
RESERVE FOR UNCOLLECTED TAXES	818,012.47	818,012.47	818,012.47	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 2,886,724.84	\$ 2,966,444.33	\$ 2,677,505.04	\$ 47,953.33	\$ 175,848.88	\$ 65,137.08

Adopted Budget	\$ 2,886,724.84
Appropriation by N.J.S.A. 40A: 4-87	14,719.49
Emergency Appropriations (40A:4-47)	<u>65,000.00</u>
	<u>\$ 2,966,444.33</u>

Federal and State Grants - Appropriated	\$ 36,867.33
Reserve for Uncollected Taxes	818,012.47
Reimbursed	(785,895.56)
Disbursed	<u>2,608,520.80</u>
	<u>\$ 2,677,505.04</u>

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

TOWNSHIP OF PILESGROVE
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS:</u>			
Animal Control Fund:			
Cash	SB-1	\$ 164.75	\$ 73.93
Trust Other Funds:			
Cash - Treasurer	SB-1	421,969.29	388,694.60
Due from Payroll to Unemployment	B	1,409.74	1,409.74
		<u>423,379.03</u>	<u>390,104.34</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	427,256.57	467,113.14
Due from County of Salem	SB-7		4,293.23
		<u>427,256.57</u>	<u>471,406.37</u>
Total Trust Funds		<u>\$ 850,800.35</u>	<u>\$ 861,584.64</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE:</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 160.61	\$ 73.93
Due Current Fund	SB-3	4.14	
		<u>164.75</u>	<u>73.93</u>
Trust Other Funds:			
Due Current Fund	SB-5	51,432.17	51,410.45
Due Unemployment from Payroll	B	1,409.74	1,409.74
Trust Fund Reserves:			
Council on Affordable Housing (COAH)	SB-6	23,163.24	24,256.88
Developers Escrow	SB-6	121,297.65	74,591.48
Housing Revitalization	SB-6	34,173.42	34,173.42
Municipal Alliance	SB-6	952.68	951.51
Parking Offenses Adjudication Act	SB-6	14.00	14.00
Payroll Deductions Payable	SB-6	5,003.75	1,207.11
Public Defender	SB-6	1,293.13	1,504.68
Recreation Contributions	SB-6	2,869.16	2,907.09
Security Deposits	SB-6	77,968.21	77,906.49
Storm Recovery	SB-6	12,828.55	25,652.44
Tax Title Liens	SB-6	30,904.39	42,158.27
Tax Title Liens - Premiums	SB-6	52,100.00	44,000.00
Unemployment Compensation Insurance	SB-6	7,889.51	7,881.42
Uniform Fire Safety	SB-6	79.43	79.36
		<u>423,379.03</u>	<u>390,104.34</u>
Municipal Open Space Trust Fund:			
Due Current Fund	SB-7	1,933.96	2,368.52
Due General Capital Fund	SB-7	26,921.00	26,921.00
Reserve for Future Use	SB-7	398,401.61	442,116.85
		<u>427,256.57</u>	<u>471,406.37</u>
Total Trust Funds		<u>\$ 850,800.35</u>	<u>\$ 861,584.64</u>

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

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

	Anticipated Budget	Realized	Excess (Deficit)
Amount to be Raised by Taxation	\$ 140,805.99	\$ 141,240.55	\$ 434.56
Reserve Funds	44,322.01	44,322.01	
Miscellaneous		671.64	671.64
	<hr/>	<hr/>	<hr/>
Total Open Space Revenues	<u>\$ 185,128.00</u>	<u>\$ 186,234.20</u>	<u>\$ 1,106.20</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Receipts:

2020 Open Space Tax Levy	\$ 140,805.99
Due from Current Fund	
2020 Added & Omitted Taxes	<u>434.56</u>

\$ 141,240.55

Miscellaneous:

Receipts:

Interest Earned on Deposits	585.78
Interest on Receivable	<u>85.86</u>

671.64

\$ 141,912.19

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

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

	Appropriations		Paid or Charged	Expended	
	<u>Original Budget</u>	<u>Budget After Modification</u>		<u>Encumbrances Payable</u>	<u>Reserved</u>
Debt Service:					
Payment of Bond Principal	\$ 100,653.00	\$ 100,653.00	\$ 100,653.00		
Interest on Bonds	60,975.00	60,975.00	60,971.63		
Farmland Preservation		23,500.00	23,417.02		\$ 82.98
Total Appropriations	<u>\$ 161,628.00</u>	<u>\$ 185,128.00</u>	<u>\$ 185,041.65</u>	<u>-</u>	<u>\$ 82.98</u>

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

TOWNSHIP OF PILESGROVE
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	SC-1	\$ 894,329.30	\$ 767,341.58
Grant Receivable	SC-2	90,226.40	7,212.35
Due from Current Fund	SC-6	268,437.91	39,924.58
Due from Open Space Trust Fund	SB-7	26,921.00	26,921.00
Deferred Charges to Future Taxation:			
Funded	SC-3	2,545,000.00	2,755,000.00
Unfunded	SC-4	419,144.91	726,000.00
		<u>\$ 4,244,059.52</u>	<u>\$ 4,322,399.51</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Note Payable	SC-8	\$ 561,700.00	\$ 726,000.00
General Obligation Bonds Payable	SC-9	2,545,000.00	2,755,000.00
Reserve for Encumbrances	SC-5	468,752.43	7,630.25
Improvement Authorizations:			
Funded	SC-5	107,152.47	118,647.32
Unfunded	SC-5		303,445.39
Capital Improvement Fund	SC-7	15,888.27	27,000.50
Reserve for Preliminary Expenses for Appraisal	SC-2	8,500.00	8,500.00
Reserve for Preliminary Expenses for Sewer Application	SC-2	7,909.22	7,909.22
Reserve for Landfill Closure	SC-2	350,000.00	350,000.00
Reserve for Payment of Debt	SC-2	160,890.30	
Reserve for Road Equipment	SC-2	8,170.00	8,170.00
Fund Balance	C-1	10,096.83	10,096.83
		<u>\$ 4,244,059.52</u>	<u>\$ 4,322,399.51</u>

There were bonds and notes authorized but not issued in the amounts of \$0.00 and \$0.00 as of December 31, 2020 and 2019, respectively.

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

TOWNSHIP OF PILESGROVE
General Capital Fund
Schedule of Fund Balance--Regulatory Basis
As of December 31, 2020

Balance December 31, 2020	<u>\$ 10,096.83</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF PILESGROVE
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Groups of Accounts - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Fixed Assets:				
Land	\$ 3,526,667.70			\$ 3,526,667.70
Building	2,100,550.00	\$ 21,252.05		2,121,802.05
Equipment	1,318,771.63	234,753.00		1,553,524.63
Total General Fixed Assets	<u>\$ 6,945,989.33</u>	<u>\$ 256,005.05</u>	<u>-</u>	<u>\$ 7,201,994.38</u>
Total Investment in General Fixed Assets	<u>\$ 6,945,989.33</u>	<u>\$ 256,005.05</u>	<u>-</u>	<u>\$ 7,201,994.38</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Pilesgrove was incorporated on February 21, 1798 and is located in Salem County, New Jersey approximately thirty miles from the City of Philadelphia. According to the 2010 census, the population is 4,016.

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

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

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

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

Budgets and Budgetary Accounting (Cont'd) - An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget and open space budget, but also the amounts required in support of the budgets of the County of Salem and the Woodstown-Pilesgrove Regional School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Woodstown-Pilesgrove Regional School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

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

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

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 15,295,649.20	\$ 14,850,777.58	97.09%
2019	14,842,849.07	14,300,782.27	96.35%
2018	14,406,262.28	13,777,246.23	95.63%
2017	13,985,100.91	13,360,160.48	95.53%
2016	13,390,540.18	12,830,935.61	95.82%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 267,027.04	\$ 345,039.57	\$ 612,066.61	4.00%
2019	486,403.52	384,637.93	871,041.45	5.87%
2018	406,260.87	417,383.26	823,644.13	5.72%
2017	320,377.33	445,568.03	765,945.36	5.48%
2016	237,682.31	478,710.83	716,393.14	5.35%

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

<u>Year</u>	<u>Number</u>
2020	22
2019	36
2018	38
2017	32
2016	23

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$ 747,100.00
2019	None
2018	None
2017	None
2016	None

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 1,838,570.20	\$ 459,340.87	24.98%
2019	1,679,628.70	424,340.87	25.26%
2018	1,800,510.31	569,300.00	31.62%
2017	1,847,323.46	550,000.00	29.77%
2016	1,826,804.15	530,350.00	29.03%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 56,037.05	\$ 298,606.15
Federal and State Grant	27,501.46	
Trust - Animal Control		4.14
Trust - Other	1,409.74	52,841.91
Trust- Municipal Open Space Fund		28,854.96
General Capital	295,358.91	
Totals	<u>\$ 380,307.16</u>	<u>\$ 380,307.16</u>

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

Note 7: PENSION PLANS

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

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions**

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

The Township's contractually required contribution rate for the year ended December 31, 2020 was 14.55% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$62,270.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$56,052.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$32,098.64.

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

For the year ended December 31, 2020, employee contributions totaled \$3,800.17, and the Township's contributions were \$2,072.32. There were no forfeitures during the year.

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

Pension Liability - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$928,252.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was 0.0056922186%, which was a decrease of 0.0000702659% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$6,124.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PERS was \$56,052.00, and was paid on April 1, 2020.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 16,902.00	\$ 3,283.00
Changes of Assumptions	30,114.00	388,668.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	31,728.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	20,458.00	117,264.00
Township Contributions Subsequent to the Measurement Date	31,135.00	-
	<u>\$ 130,337.00</u>	<u>\$ 509,215.00</u>

Deferred outflows of resources in the amount of \$31,135.00 for PERS will be included as a reduction of the net pension liability during the year ending December 31, 2021. This amount was based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	
2021	\$ (139,087.00)
2022	(139,459.00)
2023	(93,647.00)
2024	(32,023.00)
2025	(5,797.00)
	<u>\$ (410,013.00)</u>

Actuarial Assumptions

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

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

⁽¹⁾ based on years of service

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

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

Discount Rate -

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

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	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	<u>\$ 1,168,514.00</u>	<u>\$ 928,252.00</u>	<u>\$ 724,383.00</u>

Pension Plan Fiduciary Net Position

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

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0056922186%	0.0057624845%	0.0062461488%	0.0659741460%
Township's Proportionate Share of the Net Pension Liability \$	928,252.00	\$ 1,038,312.00	\$ 1,229,836.00	\$ 1,535,773.00
Township's Covered Payroll (Plan Measurement Period) \$	403,684.00	\$ 374,792.00	\$ 438,636.00	\$ 457,068.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	229.95%	277.04%	280.38%	336.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0063407143%	0.0060777093%	0.0059445484%	0.0060476755%
Township's Proportionate Share of the Net Pension Liability \$	1,877,938.00	\$ 1,364,324.00	\$ 1,112,982.00	\$ 1,155,831.00
Township's Covered Payroll (Plan Measurement Period) \$	436,192.00	\$ 419,252.00	\$ 411,096.00	\$ 417,172.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	430.53%	325.42%	270.74%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 62,270.00	\$ 56,052.00	\$ 62,129.00	\$ 61,118.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(62,270.00)</u>	<u>(56,052.00)</u>	<u>(62,129.00)</u>	<u>(61,118.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 428,067.00	\$ 408,447.00	\$ 397,365.00	\$ 441,614.00
Township's Contributions as a Percentage of Covered Payroll	14.55%	13.72%	15.64%	13.84%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 56,330.00	\$ 52,252.00	\$ 49,006.00	\$ 45,568.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(56,330.00)</u>	<u>(52,252.00)</u>	<u>(49,006.00)</u>	<u>(45,568.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 453,620.00	\$ 438,053.00	\$ 419,252.00	\$ 405,970.00
Township's Contributions as a Percentage of Covered Payroll	12.42%	11.93%	11.69%	11.22%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

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

Changes in Assumptions

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**General Information about the OPEB Plan**

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

Plan Description and Benefits Provided - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)**

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

The Township was billed monthly by the Plan and paid \$19,472.16 for the year ended December 31, 2019, representing 4.77% of the Township's covered payroll. During the year ended December 31, 2019, retirees were not required to contribute to the Plan.

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

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

Therefore, 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 Township does not have a Special Funding Situation within the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2019 the Township's proportionate share of the net OPEB liability was \$1,332,392.00.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Township's proportion of the net OPEB liability was 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, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Township's proportion was 0.009836% which was a decrease of 0.000786% from its proportion measured as of the June 30, 2018 measurement date.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB (Benefit) Expense - At December 31, 2019, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is (\$89,896.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Township made contributions to the Plan totaling \$19,472.16.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 389,643.00
Changes of Assumptions	-	472,170.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,098.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	460,264.00
Township Contributions Subsequent to the Measurement Date	<u>9,736.08</u>	<u>-</u>
	<u>\$ 10,834.08</u>	<u>\$ 1,322,077.00</u>

\$9,736.08 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2020.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

Year Ending Dec. 31,		
2020	\$	(217,660.00)
2021		(217,660.00)
2022		(217,746.00)
2023		(217,885.00)
2024		(218,012.00)
Thereafter		<u>(232,016.00)</u>
	\$	<u>(1,320,979.00)</u>

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Years	3.25% to 15.25%

* Salary Increases are Based on Years of Service
Within the Respective Plan

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

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

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

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

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The Township's proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Township's Proportionate Share of the Net OPEB Liability	\$ 1,540,584.00	\$ 1,332,392.00	\$ 1,163,208.00

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	\$ 1,124,375.00	\$ 1,332,392.00	\$ 1,597,753.00

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Plan Fiduciary Net Position**

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

Supplementary OPEB Information

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

Schedule of the Township's Proportionate Share of the net OPEB Liability (Last Three Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.009836%	0.010622%	0.011438%
Township's Proportionate Share of the Net OPEB Liability \$	1,332,392.00	\$ 1,664,108.00	\$ 2,335,158.00
Township's Covered Payroll (Plan Measurement Period) \$	405,631.00	\$ 422,689.00	\$ 436,399.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	328.47%	393.70%	535.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Schedule of the Township's Contributions (Last Three Years)

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 19,472.16	\$ 25,934.30	\$ -
Township's Contributions in Relation to the Required Contribution	(19,472.16)	(25,934.30)	-
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year) \$	408,447.00	\$ 397,365.00	\$ 441,614.00
Township's Contributions as a Percentage of Covered Payroll	4.77%	6.53%	0.00%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

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

Changes in Assumptions

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

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

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

Note 9: LEASE OBLIGATIONS

At December 31, 2020, the Township had operating lease agreements in effect for the rental of a postage meter and a copier. Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 1,176.00
2022	1,176.00
2023	294.00

Rental payments under operating leases for the year 2020 were \$2,347.00.

Note 10: CAPITAL DEBT**General Obligation Bonds**

Refunding Bonds, Series 2019 - On July 24, 2019, the Township issued \$2,755,000.00 of general obligation bonds, with a net interest cost of 4.000%. The bonds were issued for the purpose of refunding the General Obligation Bonds, Series 2009. The final maturity of the bonds is August 15, 2029.

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

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Interest</u>	<u>Principal</u>	
2021	\$ 58,214.26	\$ 117,157.50	\$ 175,371.76
2022	52,356.38	124,968.00	177,324.38
2023	46,107.98	132,778.50	178,886.48
2024	39,469.06	137,985.50	177,454.56
2025	33,949.64	145,796.00	179,745.64
2026-2029	68,211.70	666,496.00	734,707.70
	<u>\$ 298,309.02</u>	<u>\$ 1,325,181.50</u>	<u>\$ 1,623,490.52</u>

<u>Year</u>	<u>Open Space</u>		<u>Total</u>
	<u>Interest</u>	<u>Principal</u>	
2021	\$ 53,585.74	\$ 107,842.50	\$ 161,428.24
2022	48,193.62	115,032.00	163,225.62
2023	42,442.02	122,221.50	164,663.52
2024	36,330.94	127,014.50	163,345.44
2025	31,250.36	134,204.00	165,454.36
2026-2029	62,788.30	613,504.00	676,292.30
	<u>\$ 274,590.98</u>	<u>\$ 1,219,818.50</u>	<u>\$ 1,494,409.48</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 3,106,700.00	\$ 3,481,000.00	\$ 4,255,900.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	-	-	-
Total Issued and Authorized but not Issued	<u>3,106,700.00</u>	<u>3,481,000.00</u>	<u>4,255,900.00</u>
<u>Deductions</u>			
Reserve for Payment of Debt	<u>303,445.39</u>	-	-
Net Debt	<u>\$ 2,803,254.61</u>	<u>\$ 3,481,000.00</u>	<u>\$ 4,255,900.00</u>

Note 10: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 0.609%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 10,935,563.69	\$ 10,935,563.69	
General	3,106,700.00	303,445.39	\$ 2,803,254.61
	<u>\$ 14,042,263.69</u>	<u>\$ 11,239,009.08</u>	<u>\$ 2,803,254.61</u>

Net debt \$2,803,254.61 divided by the equalized valuation basis per N.J.S.A.40A:2-2 as amended, \$460,309,532.67 equals 0.609%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 16,110,833.64
Less: Net Debt	<u>2,803,254.61</u>
Remaining Borrowing Power	<u>\$ 13,307,579.03</u>

Note 11: SCHOOL TAXES

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

	<u>Balance December 31,</u>	
	<u>2020</u>	<u>2019</u>
Regional District School Tax		
Balance of Tax	\$ 4,090,768.98	\$ 4,007,367.48
Deferred	<u>2,460,000.00</u>	<u>2,460,000.00</u>
Taxes Payable	<u>\$ 1,630,768.98</u>	<u>\$ 1,547,367.48</u>

Note 12: 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.

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

- Real and Personal Property
- Crime and Public Employee Bond
- Commercial General Liability
- Law Enforcement Professional Liability
- Business Automotive Insurance
- Workers' Compensation
- Environmental Legal Liability
- Public Officials Liability

Note 12: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. The pool will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2020, which can be obtained from:

Gloucester, Salem, and Cumberland County
Municipal Joint Insurance Fund
P.O. Box 442
Hammonton, New Jersey 08037

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	None	-	\$ 8.09		\$ 7,889.51
2019	None	-	38.26	\$ 3,495.00	7,881.42
2018	None	-	30.16		11,338.16

There were no unreimbursed payments on behalf of the Township at December 31, 2020.

Note 13: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 4, 2003, 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 Pilesgrove Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2004, 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 referendum, 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. Further increases in the tax rate or to extend the authorization must be approved by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Township of Pilesgrove Open Space, Recreation and Farmland Preservation Trust Fund.

Note 14: CONTINGENCIES

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

Litigation - The Township does not have any current, pending or threatened litigation, claims and assessments.

Note 15: CONCENTRATIONS

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

Note 16: SUBSEQUENT EVENTS

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

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

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF PILESGROVE
CURRENT FUND
Statement of Current Fund Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	3,831,614.12
Increased by Receipts:			
Tax Collector	\$	15,386,690.13	
Revenue Accounts Receivable		616,876.52	
Miscellaneous Revenue Not Anticipated		31,120.56	
Due State of New Jersey - Senior Citizens and Veterans Deductions		37,500.00	
Due State of New Jersey - Marriage License Fees		675.00	
Due State of New Jersey - State Training Fees		4,834.00	
Due From Animal Control Fund		3.95	
Due General Capital Fund:			
Interfund Loans Received		145.38	
2020 NJDOT - Grant Receivable		108,367.95	
2019 NJDOT - Grant Receivable		120,000.00	
Due Trust Other Fund:			
Interest Earned on Deposits		127.28	
Council on Affordable Housing (COAH)		19,000.00	
Federal and State Grants Receivable		24,773.29	
Reserve for Abandoned Property Fees		26,264.05	
Reserve for Fire Safety Penalties and Fines		1,000.00	
Reserve for Demolition		11,960.00	
Reimbursements:			
2020 Appropriations		785,895.56	
			17,175,233.67
			21,006,847.79
Decreased by Disbursements:			
2020 Appropriations		2,608,520.80	
2019 Appropriations		45,982.62	
County Taxes Payable		5,582,093.26	
County Added and Omitted Taxes Payable		16,987.88	
Municipal Open Space Trust Taxes Payable		140,805.99	
Regional School Taxes Payable		8,098,136.50	
Due State of New Jersey - Marriage License Fees		475.00	
Due State of New Jersey - State Training Fees		6,022.00	
Federal and State Grant Fund -- Appropriated		30,624.58	
Reserve for Fire Safety Penalties and Fines		7,090.00	
Refund of Prior Year Revenue		19,687.92	
			16,556,426.55
Balance December 31, 2020		\$	4,450,421.24

TOWNSHIP OF PILESGROVE
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 -- Collector
For the Year Ended December 31, 2020

Increased by:

Receipts:

Taxes Receivable	\$	14,945,667.57
Tax Overpayments		10,613.13
Tax Title Liens		36,606.18
Prepaid Taxes		291,591.75
Revenue Accounts Receivable:		
Interest and Costs on Taxes		102,101.50
Miscellaneous Revenue Not Anticipated:		
Recording Fees	\$	60.00
Tax Searches		50.00
		<u>110.00</u>

\$ 15,386,690.13

15,386,690.13

Decreased by:

Disbursements:

To Treasurer	\$	<u>15,386,690.13</u>
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TOWNSHIP OF PILESGROVE
CURRENT FUND
Schedule of Change Funds
As of December 31, 2020

	Balance <u>Dec. 31, 2020</u>
Municipal Clerk	\$ 100.00
Tax Collector	100.00
Municipal Court	200.00
Construction Code Official	<u>50.00</u>
	<u>\$ 450.00</u>

TOWNSHIP OF PILESGROVE
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2020

Year	Balance	2020 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred To Tax Title Liens	Canceled	Penalty Assessment	Balance
	Dec. 31, 2019			2019	2020					Dec. 31, 2020
2019	\$ 384,637.93				\$ 367,766.25		\$ 14,464.45			\$ 2,407.23
	384,637.93	-	-	-	367,766.25	-	14,464.45	-	-	2,407.23
2020		\$ 15,249,288.72	\$ 46,360.48	\$ 234,876.26	14,577,901.32	\$ 38,000.00	68,852.24	\$ 41,475.68	\$ 8,088.64	342,632.34
	<u>\$ 384,637.93</u>	<u>\$ 15,249,288.72</u>	<u>\$ 46,360.48</u>	<u>\$ 234,876.26</u>	<u>\$ 14,945,667.57</u>	<u>\$ 38,000.00</u>	<u>\$ 83,316.69</u>	<u>\$ 41,475.68</u>	<u>\$ 8,088.64</u>	<u>\$ 345,039.57</u>

Analysis of 2020 Property Tax Levy

Tax Yield:

General Property Tax	\$ 15,249,288.72	
Added Taxes (54:4-63.1 et. seq.)	46,360.48	
		<u>\$ 15,295,649.20</u>

Tax Levy:

Regional School District Tax (Abstract)	\$ 8,181,538.00
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County Taxes:

County Tax (Abstract)	\$ 5,489,961.25	
County Open Space (Abstract)	92,132.01	
Due County for Added and Omitted Tax:		
County Tax	16,700.24	
County Open Space	287.64	
Total County Taxes		5,599,081.14

Municipal Open Space Tax:

Open Space Tax (Abstract)	140,805.99	
Open Space for Added and Omitted Tax	434.56	
Total Municipal Open Space Taxes		141,240.55

Local Tax For Municipal Purposes Levied (Abstract)

Added and Omitted Tax	1,344,151.00	
Additional Tax Levied	28,938.04	
Additional Tax Levied	700.47	
Total Local Tax for Municipal Purposes Levied		<u>1,373,789.51</u>

\$ 15,295,649.20

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

Balance December 31, 2019		\$ 486,403.52
Increased by:		
Transfers from Taxes Receivable - 2020	\$ 83,316.69	
Interest & Costs Accrued to Tax Sale	<u>3,736.12</u>	
		<u>87,052.81</u>
		573,456.33
Decreased by:		
Transfer to Property Acquired by Taxation	269,823.11	
Collections	<u>36,606.18</u>	
		<u>306,429.29</u>
Balance December 31, 2020		<u><u>\$ 267,027.04</u></u>

Exhibit SA-6

TOWNSHIP OF PILESGROVE
CURRENT FUND
Statement of Due From State of New Jersey
Veterans' and Senior Citizens Deductions
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 2,000.00
Increased by:		
Deductions per Tax Billings:		
Senior Citizens	\$ 3,500.00	
Veterans	33,000.00	
Deduction Allowed by Tax Collector:		
Veterans - 2020 Taxes	<u>1,500.00</u>	
Total State Share Applied to Taxes Receivable		<u>38,000.00</u>
		40,000.00
Decreased by:		
Received from State of New Jersey		<u>37,500.00</u>
Balance December 31, 2020		<u><u>\$ 2,500.00</u></u>

TOWNSHIP OF PILESGROVE
CURRENT FUND
Statement of Property Acquired for Taxes (At Assessed Valuation)
For the Year Ended December 31, 2020

Increased by:

Transfers from Tax Title Liens

\$ 269,823.11

Add : Adjustment to Assessed Valuation

477,276.89

Balance December 31, 2020

\$ 747,100.00

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

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u> <u>In 2020</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Miscellaneous Revenues:				
Local Revenues:				
Fees and Permits		\$ 28,656.63	\$ 28,656.63	
Municipal Court Fines and Costs	\$ 1,371.29	13,393.94	13,988.75	\$ 776.48
Interest and Costs on Taxes		102,101.50	102,101.50	
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		429,049.99	429,049.99	
Garden State Trust		15,076.00	15,076.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees		60,085.00	60,085.00	
Interlocal Municipal Service Agreements Offset with Appropriations:				
Interlocal Service Agreement - Pilesgrove Joint Court		70,020.15	70,020.15	
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Other Special Items:				
COAH Trust - Debt Payment		19,000.00	19,000.00	
	<u>\$ 1,371.29</u>	<u>\$ 737,383.21</u>	<u>\$ 737,978.02</u>	<u>\$ 776.48</u>
 Treasurer			\$ 616,876.52	
Tax Collector			102,101.50	
Due from Trust Other Fund			19,000.00	
			<u>\$ 737,978.02</u>	

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

	<u>Balance December 31, 2019</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After</u>	<u>Modification</u>	<u>Paid or</u>	<u>Charged</u>	<u>Lapsed to</u>	<u>Fund Balance</u>
GENERAL GOVERNMENT:									
Administrative and Executive									
Salaries and Wages			\$ 523.00	\$ 523.00				\$ 523.00	
Other Expenses									
Ordinance Codification			3,080.00	3,080.00				3,080.00	
Miscellaneous	\$ 200.00		21.16	221.16				221.16	
Township Clerk									
Salaries and Wages			0.16	0.16				0.16	
Other Expenses	208.67		5,551.38	5,760.05		\$ 223.97		5,536.08	
Financial Administration									
Salaries and Wages			23.97	23.97				23.97	
Other Expenses	101.57		403.27	504.84		462.93		41.91	
Assessment of Taxes									
Salaries and Wages			76.00	76.00				76.00	
Other Expenses:									
Miscellaneous	361.45		1,288.93	1,650.38		362.45		1,287.93	
Tax Map Maintenance			100.00	100.00				100.00	
Collection of Taxes									
Salaries and Wages			11.48	11.48				11.48	
Other Expenses	157.64		172.52	330.16		159.74		170.42	
Liquidation of Tax Title Liens and Foreclosed Property									
Other Expenses			2,000.00	2,000.00		2,000.00			
Legal Services									
Potential Litigation and Associated Costs			500.00	500.00				500.00	
Miscellaneous			4,361.48	9,311.48		9,281.98		29.50	
Engineering Services									
Other Expenses			2,749.30	2,749.30		409.00		2,340.30	
Registrar of Vital Statistics									
Salaries and Wages			41.47	41.47				41.47	
Public Defender									
Other Expenses			2,500.02	2,500.02				2,500.02	
Municipal Land Use Law (N.J.S.A. 40:55D-1)									
Land Use Development Board									
Salaries and Wages			29.00	29.00				29.00	
Other Expenses	22.34		2,129.82	2,152.16		187.78		1,964.38	
Zoning Officer									
Salaries and Wages			48.04	48.04				48.04	
Other Expenses	12.74		298.16	310.90		35.76		275.14	
Municipal Court									
Salaries and Wages			1,656.80	1,656.80				1,656.80	
Other Expenses	187.54		534.53	722.07		402.67		319.40	
PUBLIC SAFETY:									
Aid to Volunteer Fire Company									
Other Expenses	9,000.00			9,000.00		9,000.00			
Office of Emergency Management									
Salaries and Wages			17.00	17.00				17.00	
Other Expenses	169.00		0.37	169.37		166.50		2.87	
Road Repairs and Maintenance									
Salaries and Wages			22,478.68	17,528.68				17,528.68	
Other Expenses	8,219.11		14,564.95	22,784.06		7,605.24		15,178.82	
Public Buildings and Grounds									
Other Expenses	2,621.32		6,405.46	9,026.78		1,999.54		7,027.24	
Sanitation:									
Other Expenses	83.13		3,948.10	4,031.23		2,435.48		1,595.75	
Solid Waste Disposal									
Salaries and Wages			0.99	0.99				0.99	
Other Expenses	222.50		18,669.79	18,892.29		7,677.26		11,215.03	
HEALTH AND WELFARE:									
Board of Health									
Other Expenses			115.00	115.00				115.00	

(Continued)

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

	<u>Balance December 31, 2019</u>	<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Fund Balance</u>
HEALTH AND WELFARE (CONT'D):				
Dog Regulation				
Other Expenses	\$	444.00	\$	444.00
			\$	440.70
				\$
				3.30
PARKS AND RECREATION:				
Recreation and Education Parks and Playgrounds				
Salaries and Wages		1,943.40	1,943.40	1,943.40
INSURANCE				
Other Insurance Premiums		2,845.00	2,845.00	2,845.00
Group Insurance Plan for Employees		11,873.23	11,873.23	11,873.23
Group Insurance - Waivers		872.12	872.12	872.12
NJ UI & Disability		250.36	250.36	250.36
STATE UNIFORM CONSTRUCTION CODE:				
Construction Code Official				
Salaries and Wages		2,085.21	2,085.21	2,085.21
Other Expenses	\$	90.97	7,022.63	7,113.60
			714.48	6,399.12
UNCLASSIFIED:				
Utilities:				
Electric		4,940.24	4,940.24	794.76
Street Lighting		1,588.39	1,588.39	1,423.38
Gas		5,445.30	5,445.30	5,445.30
Telephone		2,172.00	2,172.00	199.00
				1,973.00
Total Operations	<u>21,657.98</u>	<u>135,782.71</u>	<u>157,440.69</u>	<u>45,982.62</u>
Total Operations Including Contingent	<u>21,657.98</u>	<u>135,782.71</u>	<u>157,440.69</u>	<u>45,982.62</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>				
STATUTORY EXPENDITURES:				
Contribution to:				
Social Security System (O.A.S.I.)		5,793.33	5,793.33	5,793.33
Defined Contribution Retirement Plan		448.90	448.90	448.90
Total General Appropriations -- Within "CAPS"	<u>21,657.98</u>	<u>142,024.94</u>	<u>163,682.92</u>	<u>45,982.62</u>
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>				
Aid to Privately Owned Reading Room				
Other Expenses		2,500.00	2,500.00	2,500.00
LOSAP (N.J.S.A. 40A:14-185)		300.00	300.00	300.00
Recycling Tax		2,867.31	2,867.31	2,867.31
Total Operations -- Excluded from "CAPS"	<u>-</u>	<u>5,667.31</u>	<u>5,667.31</u>	<u>-</u>
Total General Appropriations for Municipal Purposes	<u>\$ 21,657.98</u>	<u>\$ 147,692.25</u>	<u>\$ 169,350.23</u>	<u>\$ 45,982.62</u>
Disbursements			<u>\$ 45,982.62</u>	

TOWNSHIP OF PILESGROVE
CURRENT FUND
 Statement of Due State of New Jersey -- Marriage License Fees
 For the Year Ended December 31, 2020

Balance December 31, 2019	\$	25.00
Increased by:		
Receipts		675.00
		700.00
Decreased by:		
Disbursements		475.00
Balance December 31, 2020	\$	225.00

Exhibit SA-11

TOWNSHIP OF PILESGROVE
CURRENT FUND
 Statement of Due State of New Jersey -- DCA Training Fees
 For the Year Ended December 31, 2020

Balance December 31, 2019	\$	1,826.00
Increased by:		
Receipts		4,834.00
		6,660.00
Decreased by:		
Disbursements		6,022.00
Balance December 31, 2020	\$	638.00

Exhibit SA-12

TOWNSHIP OF PILESGROVE
CURRENT FUND
 Schedule of Accounts Payable
 As of December 31, 2020

Balance December 31, 2020	\$	4,620.00
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TOWNSHIP OF PILESGROVE
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	234,876.26
Increased by:		
Collections - 2021 Taxes		291,591.75
		526,468.01
Decreased by:		
Application to 2020 Taxes Receivable		234,876.26
Balance December 31, 2020	\$	291,591.75

Exhibit SA-14

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

Balance December 31, 2019	\$	19,204.37
Increased by:		
Overpayments Received		10,613.13
Balance December 31, 2020	\$	29,817.50

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

Increased by:

County Levy - 2020:

County Tax

\$ 5,489,961.25

County Open Space

92,132.01

\$ 5,582,093.26

Decreased by:

Disbursed by Treasurer

\$ 5,582,093.26

Exhibit SA-16

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

Balance December 31, 2019

\$ 309.97

Increased by:

Added Taxes

County Tax

\$ 16,700.24

County Open Space

287.64

16,987.88

17,297.85

Decreased by:

Disbursements

16,987.88

Balance December 31, 2020

\$ 309.97

TOWNSHIP OF PILESGROVE
CURRENT FUND
Statement of Regional District School Taxes Payable
For the Year Ended December 31, 2020

<hr/>		
Balance December 31, 2019:		
School Taxes Payable	\$ 1,547,367.48	
School Taxes Deferred	<u>2,460,000.00</u>	
		\$ 4,007,367.48
Increased by:		
Levy - School Year July 1, 2020 to June 30, 2021		<u>8,181,538.00</u>
		12,188,905.48
Decreased by:		
Disbursed by Treasurer		<u>8,098,136.50</u>
Balance December 31, 2020:		
School Taxes Payable	1,630,768.98	
School Taxes Deferred	<u>2,460,000.00</u>	
		<u>\$ 4,090,768.98</u>
2020 Liability for Local District School Tax:		
Tax Paid		\$ 8,098,136.50
Tax Payable December 31, 2020		<u>1,630,768.98</u>
		9,728,905.48
Less: Tax Payable December 31, 2019		<u>1,547,367.48</u>
Amount Charged to 2020 Operations		<u>\$ 8,181,538.00</u>

Exhibit SA-18

TOWNSHIP OF PILESGROVE
CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2020

<hr/>		
Balance December 31, 2019		\$ 2,232.22
Increased by:		
2020 Tax Levy		
Municipal Open Space Taxes	\$ 140,805.99	
Added Taxes	<u>434.56</u>	
		<u>141,240.55</u>
		143,472.77
Decreased by:		
Disbursements		<u>140,805.99</u>
Balance December 31, 2020		<u>\$ 2,666.78</u>

TOWNSHIP OF PILESGROVE
CURRENT FUND
 Statement of Reserve for Abandoned Property Fees
 For the Year Ended December 31, 2020

Balance December 31, 2019	\$	86,777.28
Increased by:		
Receipts		26,264.05
Balance December 31, 2020	\$	113,041.33

Exhibit SA-20

TOWNSHIP OF PILESGROVE
CURRENT FUND
 Statement of Reserve for Fire Safety Penalties and Fines
 For the Year Ended December 31, 2020

Balance December 31, 2019	\$	7,164.05
Increased by:		
Receipts		1,000.00
		8,164.05
Decreased by:		
Disbursements		7,090.00
Balance December 31, 2020	\$	1,074.05

Exhibit SA-21

TOWNSHIP OF PILESGROVE
CURRENT FUND
 Statement of Reserve for Demolition
 For the Year Ended December 31, 2020

Increased by:		
Receipts	\$	11,960.00
Balance December 31, 2020	\$	11,960.00

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

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Anticipated as Revenue</u>	<u>Received</u>	<u>Balance Dec. 31, 2020</u>
State Grants:				
Clean Communities Program		\$ 14,719.49	\$ 14,719.49	
Recycling Tonnage Grant		7,489.09	7,489.09	
Municipal Alliance on Alcoholism and Drug Abuse	\$ 7,936.68	7,527.00	6,053.80	\$ 9,409.88
Co-Match - Borough of Woodstown	1,167.74	940.88		2,108.62
Total State Grants	9,104.42	30,676.46	28,262.38	11,518.50
Local Grants:				
Joint Insurance Fund EPL/Cyber		1,000.00	1,000.00	
Joint Insurance Fund Safety Incentive		3,000.00	3,000.00	
Joint Insurance Fund Optional Safety		750.00		750.00
Joint Insurance Fund Wellness		500.00		500.00
Total Local Grants	-	5,250.00	4,000.00	1,250.00
Total All Grants	\$ 9,104.42	\$ 35,926.46	\$ 32,262.38	\$ 12,768.50
Anticipated in Budget		\$ 21,206.97		
Anticipated by 40A:4-87		14,719.49		
Cash Received in Current Fund			\$ 24,773.29	
Unappropriated Grants			7,489.09	
		\$ 35,926.46	\$ 32,262.38	

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

<u>Program</u>	Balance Dec. 31, 2019	Transferred from 2020 Budget Appropriation	Paid or Charged	Balance Dec. 31, 2020
Federal Grants:				
Municipal Stormwater Regulation	\$ 6,465.52	-	-	\$ 6,465.52
State Grants:				
Clean Communities Program - 2020		\$ 14,719.49	\$ 5,300.00	9,419.49
Clean Communities Program - 2019	9,453.64		8,684.07	769.57
Clean Communities Program - 2016	2,199.83			2,199.83
Recycling Tonnage Grant	4,740.04	7,489.09	7,456.63	4,772.50
Municipal Drug Alliance:				
State Share	5,990.18	7,527.00	4,498.88	9,018.30
Local Share:				
Borough of Woodstown	1,167.50	940.88		2,108.38
Township of Pilesgrove	1,167.50	940.87		2,108.37
Smart Growth Planning Program	2,656.00			2,656.00
Total State Grants	<u>27,374.69</u>	<u>31,617.33</u>	<u>25,939.58</u>	<u>33,052.44</u>
Local Grants:				
Joint Insurance Fund Safety Incentive		3,000.00	3,000.00	
Joint Insurance Fund Optional Safety		750.00	750.00	
Joint Insurance Fund Wellness		500.00	500.00	
Join Insurance Fund EPL/Cyber		1,000.00	1,000.00	
Total Local Grants	<u>-</u>	<u>5,250.00</u>	<u>5,250.00</u>	<u>-</u>
Total All Grants	<u>\$ 33,840.21</u>	<u>\$ 36,867.33</u>	<u>\$ 31,189.58</u>	<u>\$ 39,517.96</u>
Budget Appropriation		\$ 22,147.84		
Appropriation by 40A:4-87		14,719.49		
Cash Disbursed by Current Fund			\$ 30,624.58	
Reserve for Encumbrances			752.00	
Liquidation of Prior Year Encumbrances			(187.00)	
		<u>\$ 36,867.33</u>	<u>\$ 31,189.58</u>	

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

Balance December 31, 2019		\$	32,411.88
Increased by:			
Grant Fund Receipts Deposited in Current Fund	\$	24,773.29	
Grant Funds Appropriated in Current Fund		<u>36,867.33</u>	
			<u>61,640.62</u>
			94,052.50
Decreased by:			
Grant Fund Expenditures Disbursed by Current Fund		30,624.58	
Grant Funds Anticipated in Current Fund		<u>35,926.46</u>	
			<u>66,551.04</u>
Balance December 31, 2020		\$	<u><u>27,501.46</u></u>

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

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Budget Revenue Realized</u>
State Grants:		
Recycling Tonnage Grant	<u>\$ 7,489.09</u>	<u>\$ 7,489.09</u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF PILESGROVE
TRUST FUNDS
Statement of Trust Cash
Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2020

	<u>Animal Control</u>	<u>Trust Other</u>	<u>Municipal Open Space</u>
Balance December 31, 2019	\$ 73.93	\$ 388,694.60	\$ 467,113.14
Increased by Receipts:			
Animal Control License Fees	\$ 6,385.20		
State Registration Fees Collected	778.80		
Municipal Open Space Tax Levy			\$ 140,805.99
Interest Earned on Deposits		\$ 161.46	
Interest Earned on Deposits - Due Current Fund	8.09	149.00	
Due County of Salem			4,293.23
Reserve Deposits		<u>1,053,144.91</u>	
Total Receipts	<u>7,172.09</u>	<u>1,053,455.37</u>	<u>145,185.08</u>
	7,246.02	1,442,149.97	612,298.22
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	6,298.52		
Paid to the State of New Jersey	778.80		
Interest Earned on Deposits - Due Current Fund	3.95	127.28	
Due Current Fund		19,000.00	
Reserves Expenditures		<u>1,001,053.40</u>	<u>185,041.65</u>
Total Disbursements	<u>7,081.27</u>	<u>1,020,180.68</u>	<u>185,041.65</u>
Balance December 31, 2020	<u><u>\$ 164.75</u></u>	<u><u>\$ 421,969.29</u></u>	<u><u>\$ 427,256.57</u></u>

TOWNSHIP OF PILESGROVE
TRUST FUND - ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Fund Expenditures
 For the Year Ended December 31, 2020

Balance December 31, 2019	\$	73.93
Increased by:		
Animal Control License Fees Collected		6,385.20
		6,459.13
Decreased by:		
Expenditures Under R.S. 4:19-15.11: Disbursements		6,298.52
Balance December 31, 2020	\$	160.61

License Fees Collected

<u>Year</u>	<u>Amount</u>
2018	\$ 7,787.40
2019	7,781.80
	\$ 15,569.20

TOWNSHIP OF PILESGROVE
TRUST FUND - ANIMAL CONTROL FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2020

Increased by:		
Receipts:		
Interest Earned on Deposits	\$	8.09
Decreased by:		
Disbursements:		
Interest Earned on Deposits		3.95
Balance December 31, 2020	\$	4.14

TOWNSHIP OF PILESGROVE
TRUST FUND - ANIMAL CONTROL FUND
Statement of Due State of New Jersey
For the Year Ended December 31, 2020

Increased by:

State License Fees Collected	\$	778.80
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Decreased by:

Disbursed to State of New Jersey	\$	<u>778.80</u>
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TOWNSHIP OF PILESGROVE
TRUST OTHER FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2020

	Balance (Deficit) Dec. 31, 2019	Increased by		Decreased By	Balance (Deficit) Dec. 31, 2020
		Interest Earnings	Due Current Fund	Disbursed to Current Fund	
Council on Affordable Housing (COAH)	\$ 43,941.32		\$ 19,000.00	\$ 19,000.00	\$ 43,941.32
Developers Escrow	2.23	\$ 8.93		1.26	9.90
Housing Revitalization		42.71		42.71	
Payroll Deductions Payable	2,593.73	3.50		3.50	2,593.73
POAA		0.02		0.02	
Public Defender		1.51		1.51	
Security Deposits	74.23				74.23
Storm Recovery	4,795.78	31.24		31.24	4,795.78
Tax Title Lien	3.51	61.09		46.97	17.63
Uniform Fire Safety	(0.35)			0.07	(0.42)
Total	\$ 51,410.45	\$ 149.00	\$ 19,000.00	\$ 19,127.28	\$ 51,432.17

TOWNSHIP OF PILESGROVE
TRUST OTHER FUND
Statement of Reserves and Deposits
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019	Increased by		Decreased by		Balance Dec. 31, 2020
		Receipts	Interest Earnings	Disbursements	Due Current Fund	
Council on Affordable Housing (COAH)	\$ 24,256.88	\$ 17,861.10	\$ 86.80	\$ 41.54	\$ 19,000.00	\$ 23,163.24
Developers Escrow	74,591.48	98,669.98		51,963.81		121,297.65
Housing Revitalization	34,173.42					34,173.42
Municipal Alliance	951.51		1.17			952.68
Parking Offenses Adjudication Act	14.00					14.00
Payroll Deductions Payable	1,207.11	788,919.68		785,123.04		5,003.75
Public Defender	1,504.68	1,080.00		1,291.55		1,293.13
Recreation Contributions	2,907.09		3.61	41.54		2,869.16
Security Deposits	77,906.49		61.72			77,968.21
Storm Recovery	25,652.44	6,000.00		18,823.89		12,828.55
Tax Title Liens	42,158.27	94,014.15		105,268.03		30,904.39
Tax Title Liens - Premiums	44,000.00	46,600.00		38,500.00		52,100.00
Unemployment Compensation Insurance	7,881.42		8.09			7,889.51
Uniform Fire Safety	79.36		0.07			79.43
Totals	\$ 337,284.15	\$ 1,053,144.91	\$ 161.46	\$ 1,001,053.40	\$ 19,000.00	\$ 370,537.12

TOWNSHIP OF PILESGROVE
TRUST FUND - MUNICIPAL OPEN SPACE FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 442,116.85
Increased by:		
2020 Levy	\$ 140,805.99	
2020 Added & Omitted Taxes	434.56	
Interest on Receivable	85.86	
		141,326.41
		583,443.26
Decreased by:		
Expended		
Bond Principal	100,653.00	
Bond Interest	60,971.63	
Farmland Preservation	23,417.02	
		185,041.65
Balance December 31, 2020		\$ 398,401.61
<u>Analysis of Balance</u>		
Cash		\$ 427,256.57
Due Current Fund		(1,933.96)
Due General Capital Fund		(26,921.00)
Reserve for Future Use		\$ 398,401.61

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF PILESGROVE
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 767,341.58
Increased by:		
Capital Improvement Fund	\$ 230,000.00	
Bond Anticipation Notes	561,700.00	
		791,700.00
		1,559,041.58
Decreased by:		
Bond Anticipation Notes	561,700.00	
Improvement Authorizations	102,866.90	
Due Current Fund	145.38	
		664,712.28
Balance December 31, 2020		\$ 894,329.30

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

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2020
	Balance Dec. 31, 2019	Budget Appropriation	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	To	From	
Grant Receivable	\$ (7,212.35)						\$ 228,367.95	\$ 311,382.00	\$ (90,226.40)
Reserve for Encumbrances	7,630.25						468,752.43	7,630.25	468,752.43
Reserve for Landfill Closure	350,000.00								350,000.00
Reserve for Preliminary Expenses for Sewer Application	7,909.22								7,909.22
Reserve for Preliminary Expenses for Appraisal	8,500.00								8,500.00
Reserve for Payment of Debt							160,890.30		160,890.30
Reserve for Road Equipment	8,170.00								8,170.00
Due from Open Space Trust Fund	(26,921.00)								(26,921.00)
Due from Current Fund	(39,924.58)					\$ 145.38		228,367.95	(268,437.91)
Capital Improvement Fund	27,000.50	\$ 230,000.00					73,299.77	314,412.00	15,888.27
Fund Balance	10,096.83								10,096.83
Cash Pledged to Payment of Bond Anticipation Notes							142,555.09		142,555.09
Improvement Authorizations:									
04-16; 06-02;									
06-07 Acquisition of Affordable Housing	89,250.68		\$ 150,525.00		\$ 150,525.00			89,250.68	
2005-10 Acquisition of Real Property	160,890.30							160,890.30	
2008-05 Acquisition of Property	516.37							516.37	
2012-06 Settlement of Litigation	5,977.66		136,461.00		136,461.00			5,977.66	
2013-06 Concrete Pad Construction and Complete Heating System	16,087.35								16,087.35
2014-03 Park and Recreation Equipment, Public Safety Equipment and Heating System	34,562.45								34,562.45
2014-09 Public Safety Equipment	5,300.00							5,300.00	
2015-07 Acquisition of a Fire Truck	47,326.75		274,714.00		274,714.00			47,326.75	
2018-05 Various Roadway Improvements and Maintenance Projects	10,000.00							10,000.00	
2019-03 Various Roadway Improvements and Maintenance Projects	52,181.15			\$ 10,545.23			7,630.25	41,741.40	7,524.77
2020-03 Resurfacing of County Home Road				43,063.67			380,000.00	310,020.43	26,915.90
2020-08 Acquisition of a Roll Off Truck and Associated Containers and Tarp System				49,258.00			65,000.00	15,742.00	
2020-09 Acquisition and Installation of a Solar Energy System for the Municipal Complex							180,794.00	158,732.00	22,062.00
	<u>\$ 767,341.58</u>	<u>\$ 230,000.00</u>	<u>\$ 561,700.00</u>	<u>\$ 102,866.90</u>	<u>\$ 561,700.00</u>	<u>\$ 145.38</u>	<u>\$ 1,707,289.79</u>	<u>\$ 1,707,289.79</u>	<u>\$ 894,329.30</u>

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

Balance December 31, 2019		\$ 2,755,000.00
Decreased by:		
Budget Appropriation:		
Payment of Bonds Payable	\$ 109,347.00	
Payment of Bonds Payable by Municipal Open Space Trust Fund	100,653.00	
		210,000.00
Balance December 31, 2020		\$ 2,545,000.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	Payment of Bond Anticipation Notes	Authorizations Canceled	Balance Dec. 31, 2020	Analysis of Balance Dec. 31, 2020		
						Financed by Notes	Expenditures	Unexpended Improvement Authorizations
04-16; 06-02;06-07	Acquisition of Various Properties for Furtherance of Affordable Housing	\$ 200,700.00	\$ 50,175.00	\$ 89,250.68	\$ 61,274.32	\$ 61,274.32		
2012-06	Settlement of Litigation	204,800.00	68,339.00	5,977.66	130,483.34	130,483.34		
2015-07	Acquisition of a Fire Truck	320,500.00	45,786.00	47,326.75	227,387.25	227,387.25		
		<u>\$ 726,000.00</u>	<u>\$ 164,300.00</u>	<u>\$ 142,555.09</u>	<u>\$ 419,144.91</u>	<u>\$ 419,144.91</u>	<u>-</u>	<u>-</u>
						Bond Anticipation Notes (Exh. SC-8)	\$ 561,700.00	
						Less: Excess Cash Pledged to the Payment of Notes	<u>(142,555.09)</u>	
						<u>\$ 419,144.91</u>		

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

Balance December 31, 2019		\$ 39,924.58
Increased by:		
Disbursed to Current Fund:		
Disbursements	\$ 145.38	
Grant Receivable Received in Current Fund	<u>228,367.95</u>	
		<u>228,513.33</u>
Balance December 31, 2020		<u><u>\$ 268,437.91</u></u>

Exhibit SC-7

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

Balance December 31, 2019		\$ 27,000.50
Increased by:		
2020 Budget Appropriation	\$ 230,000.00	
Improvement Authorization Canceled	<u>73,299.77</u>	
		<u>303,299.77</u>
		330,300.27
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>314,412.00</u>
Balance December 31, 2020		<u><u>\$ 15,888.27</u></u>

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

Ordinance Number	Improvement Description	Date of Original Issue	Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
2012-06	Settlement of Litigation	09/13/12	\$1,025,000.00	07/26/19 07/22/20	07/24/20 07/22/21	2.050% 1.200%	\$ 204,800.00	\$ 136,461.00	\$ 204,800.00	\$ 136,461.00
04-16; 06-02 06-07	Affordable Housing Redevelopment Proj	08/14/13	475,000.00	07/26/19 07/22/20	07/24/20 07/22/21	2.050% 1.200%	200,700.00	150,525.00	200,700.00	150,525.00
2015-07	Acquisition of a Fire Truck	09/01/16	427,500.00	07/26/19 07/22/20	07/24/20 07/22/21	2.050% 1.200%	320,500.00	274,714.00	320,500.00	274,714.00
							<u>\$ 726,000.00</u>	<u>\$ 561,700.00</u>	<u>\$ 726,000.00</u>	<u>\$ 561,700.00</u>
								\$ 561,700.00	\$ 561,700.00	
									164,300.00	
								<u>\$ 561,700.00</u>	<u>\$ 726,000.00</u>	

TOWNSHIP OF PILESGROVE
GENERAL CAPITAL FUND
Statement of General Obligation Bonds
For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Outstanding Dec. 31, 2020</u>	<u>Date</u>				
General Obligation Refunding Bonds, Series 2019	07/24/2019	\$ 2,755,000.00	08/15/21	\$	225,000.00	5.000%		
			08/15/22		240,000.00	5.000%		
			08/15/23		255,000.00	5.000%		
			08/15/24		265,000.00	4.000%		
			08/15/25		280,000.00	5.000%		
			08/15/26		300,000.00	4.000%		
			08/15/27		310,000.00	4.000%		
			08/15/28		325,000.00	4.000%		
			08/15/29		345,000.00	4.000%		
								\$ 2,755,000.00
					<u>\$ 2,755,000.00</u>	<u>\$ 210,000.00</u>	<u>\$ 2,545,000.00</u>	
						\$ 109,347.00		
						100,653.00		
						<u>\$ 210,000.00</u>		

PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Schedule of Financial Statement Findings

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

TOWNSHIP OF PILESGROVE
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>
Kevin Eachus	Mayor
David Bonowski	Deputy Mayor
Joseph Crevino	Committeeperson
Maureen R. Abdill	Township Clerk
Maureen R. Abdill	Registrar of Vital Statistics
Maureen R. Abdill	Municipal Improvement Search Officer
Rita Shade	Planning Board Secretary
Marie Stout (1/1/20 – 9/30/20)	Chief Municipal Financial Officer
Kelsey Mitchell (10/1/20 – 12/31/20)	Temporary Chief Financial Officer
Michelle Allen	Tax Search Officer
Kathleen Hill (1/1/20 – 6/30/20)	Tax Assessor
Roy A. Duffield (7/1/20 – 12/31/20)	Tax Assessor
Debra Scott	Court Administrator
John Holroyd	Construction Code Official
Allan Coutler	Public Works Manager
Nicholas Lacovara	Judge of Municipal Court
Niki Trunk	Solicitor
James McKelvie	Engineer

The Gloucester, Salem and Cumberland County Municipal Joint Insurance Fund covers all Employees with a \$1,000,000 blanket surety bond.

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Henry J. Ludwigsen". The signature is written in a cursive, flowing style.

Henry J. Ludwigsen
Certified Public Accountant
Registered Municipal Accountant