

**TOWNSHIP OF ALLOWAY
COUNTY OF SALEM
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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TOWNSHIP OF ALLOWAY

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Alloway
Alloway, New Jersey 08001

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Alloway, in the County of Salem, State of New Jersey, as of December 31, 2021, 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, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Alloway, in the County of Salem, State of New Jersey, as of December 31, 2021, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year 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, 2021, 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.

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* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Alloway, in the County of Salem, State of New Jersey, as of December 31, 2021, or the results of its operations and changes in fund balance for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in note 1 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 and pervasive.

Other Matter

The financial statements of the Township of Alloway as of and for the year ended December 31, 2020 were audited by another auditor whose report dated June 10, 2021 expressed an adverse opinion on those financial statements in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion under the regulatory basis of accounting.

Responsibilities of Management 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

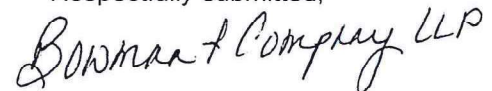
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes 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 accompanying 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

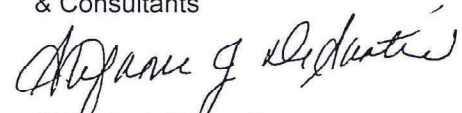
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2022 on our consideration of the Township of Alloway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Alloway'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 Alloway's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Stefanie J. DeSantis
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
August 15, 2022

**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 Alloway
Alloway, New Jersey 08001

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement 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 Alloway, in the County of Salem, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 15, 2022. That report indicated that the Township of Alloway'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.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 or significant deficiencies may exist that have not been identified.

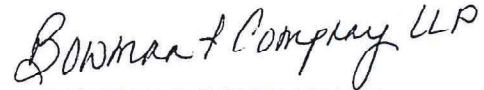
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

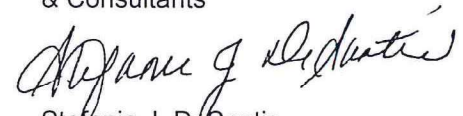
Purpose of this Report

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



Stefanie J. DeSantis
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
August 15, 2022

TOWNSHIP OF ALLOWAY
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2021 and 2020

| Assets: | <u>Ref.</u> | <u>2021</u> | <u>2020</u> |
|---|-------------|------------------------|------------------------|
| Regular Fund: | | | |
| Cash: | | | |
| Treasurer | SA-1 | \$ 4,076,803.79 | \$ 3,646,908.93 |
| Collector | SA-2 | 266,829.83 | 349,343.80 |
| Change Fund | A | <u>100.00</u> | <u>100.00</u> |
| | | <u>4,343,733.62</u> | <u>3,996,352.73</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | SA-3 | 215,876.96 | 165,364.41 |
| Tax Title Liens Receivable | SA-4 | 427,380.06 | 419,392.28 |
| Property Acquired for Taxes - Assessed Valuation | A | 187,500.00 | 187,500.00 |
| Due from Trust Other Fund | SB-7 | <u>711.82</u> | <u>676.31</u> |
| | | <u>831,468.84</u> | <u>772,933.00</u> |
| | | <u>5,175,202.46</u> | <u>4,769,285.73</u> |
| Federal and State Grant Fund: | | | |
| Cash - Treasurer | SA-1 | 124,808.57 | 47,575.70 |
| Grants Receivable | SA-14 | <u>30,050.22</u> | <u>29,000.37</u> |
| | | <u>154,858.79</u> | <u>76,576.07</u> |
| | | <u>\$ 5,330,061.25</u> | <u>\$ 4,845,861.80</u> |

(Continued)

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2021 and 2020

| | Ref. | 2021 | 2020 |
|--|-----------|------------------------|------------------------|
| Liabilities, Reserves and Fund Balance: | | | |
| Regular Fund: | | | |
| Appropriation Reserves | A-3;SA-7 | \$ 181,204.95 | \$ 215,359.64 |
| Encumbrances Payable | A-3;SA-7 | 17,105.91 | 14,322.44 |
| Due to State of New Jersey: | | | |
| Senior Citizens and Veterans Deductions | SA-5 | 2,750.00 | 2,750.00 |
| Marriage and Burial Permits | SA-1 | 50.00 | 25.00 |
| Construction DCA Fees | SA-1 | 1,218.77 | 1,282.00 |
| Prepaid Taxes | SA-8 | 225,669.62 | 207,324.99 |
| Tax Overpayments | SA-9 | 1,483.96 | 6,606.38 |
| Local School District Taxes Payable | SA-13 | 1,676,236.45 | 1,639,689.45 |
| Due to Municipal Open Space Trust Fund | SA-12 | 152.88 | - |
| Due to General Capital Fund | SA-1 | - | 2.00 |
| Due Sewer Operating Fund | SA-1;SA-2 | 7,328.86 | 4,463.38 |
| Reserve for Museum Donations | A | 1,786.10 | 1,786.10 |
| Reserve for Donations Power of One | A | 2,968.88 | 2,968.88 |
| Reserve for Abandoned Property Registrations | SA-6 | - | 12,500.00 |
| | | <u>2,117,956.38</u> | <u>2,109,080.26</u> |
| Reserves for Receivables | A | 831,468.84 | 772,936.57 |
| Fund Balance | A-1 | <u>2,225,777.24</u> | <u>1,887,268.90</u> |
| | | <u>5,175,202.46</u> | <u>4,769,285.73</u> |
| Federal and State Grant Fund: | | | |
| Unappropriated Reserves | SA-15 | 75,790.83 | - |
| Encumbrances Payable | SA-16 | - | 1,590.00 |
| Appropriated Reserves | SA-16 | <u>79,067.96</u> | <u>74,986.07</u> |
| | | <u>154,858.79</u> | <u>76,576.07</u> |
| | | <u>\$ 5,330,061.25</u> | <u>\$ 4,845,861.80</u> |

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

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

| | 2021 | 2020 |
|--|------------------------|------------------------|
| <u>Revenue and Other Income Realized:</u> | | |
| Fund Balance Utilized | \$ 137,663.35 | \$ 135,712.57 |
| Miscellaneous Revenues Anticipated | 795,667.42 | 752,087.76 |
| Receipts from Delinquent Taxes | 217,564.55 | 187,760.77 |
| Receipts from Current Taxes | 8,628,446.66 | 8,528,189.53 |
| Nonbudget Revenues | 60,536.25 | 57,218.21 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 203,195.53 | 119,013.46 |
| Encumbrances Payable Cancelled | - | 3,567.55 |
| | <u>10,043,073.76</u> | <u>9,783,549.85</u> |
| <u>Expenditures:</u> | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS": | | |
| Operations: | | |
| Salaries and Wages | 454,625.00 | 454,750.00 |
| Other Expenses | 690,185.00 | 680,555.00 |
| Deferred Charges and Statutory Expenditures | 66,538.00 | 72,700.29 |
| Appropriations Excluded from "CAPS": | | |
| Operations: | | |
| Other Expenses | 37,785.16 | 41,454.17 |
| Capital Improvements | 90,000.00 | 160,000.00 |
| Municipal Debt Service | 182,563.66 | 182,563.65 |
| County Taxes | 3,509,107.24 | 3,538,105.79 |
| County Open Space Tax | 58,393.67 | 59,386.53 |
| Due County for Added and Omitted Taxes | 38,625.55 | 8,269.78 |
| Local School District Tax | 4,422,641.00 | 4,349,540.00 |
| Municipal Open Space Tax | 14,300.88 | 14,137.00 |
| Interfund Created | 32.12 | 76.77 |
| Prior Year Senior Citizen Deduction Disallowed | 2,104.79 | 1,500.00 |
| | <u>9,566,902.07</u> | <u>9,563,038.98</u> |
| Excess in Revenues | 476,171.69 | 220,510.87 |
| Fund Balance January 1 | <u>1,887,268.90</u> | <u>1,802,470.60</u> |
| Total | 2,363,440.59 | 2,022,981.47 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>137,663.35</u> | <u>135,712.57</u> |
| Fund Balance December 31 | <u>\$ 2,225,777.24</u> | <u>\$ 1,887,268.90</u> |

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

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2021

| | Anticipated Budget | Special N.J.S. 40A:4-87 | Realized | Excess or (Deficit) |
|---|------------------------|----------------------------|------------------------|------------------------|
| Fund Balance Anticipated | \$ 137,663.35 | | \$ 137,663.35 | |
| | <u>137,663.35</u> | <u>-</u> | <u>137,663.35</u> | <u>-</u> |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 1,100.00 | | 1,186.80 | \$ 86.80 |
| Fines and Costs: | | | | |
| Municipal Court | 3,000.00 | | 2,808.70 | (191.30) |
| Interest and Costs on Taxes | 40,000.00 | | 68,583.04 | 28,583.04 |
| SCUA Host Community Benefits | 215,000.00 | | 234,815.37 | 19,815.37 |
| Energy Receipts Tax P.L. 1997, Chapters 162 & 167) | 327,413.00 | | 327,413.00 | |
| Garden State Trust PILOT | 57,622.00 | | 88,735.00 | 31,113.00 |
| Watershed Moratorium Offset Aid | 188.00 | | 188.00 | |
| Uniform Construction Code Fees | 25,000.00 | | 35,076.58 | 10,076.58 |
| Public and Private Revenues Offset With Appropriations: | | | | |
| Clean Communities Program | | \$ 12,877.19 | 12,877.19 | |
| Municipal Alliance on Alcoholism and Drug Abuse | 2,149.67 | | 2,149.67 | |
| Recycling Tonnage Grant | | 3,451.50 | 3,451.50 | |
| Other Special Items: | | | | |
| JIF Safety Funds | 4,500.00 | | 5,882.57 | 1,382.57 |
| Reserve for Abandoned Properties | 12,500.00 | | 12,500.00 | |
| | <u>688,472.67</u> | <u>16,328.69</u> | <u>795,667.42</u> | <u>90,866.06</u> |
| Receipts from Delinquent Taxes | <u>140,000.00</u> | | <u>217,564.55</u> | <u>77,564.55</u> |
| Subtotal General Revenues | 966,136.02 | 16,328.69 | 1,150,895.32 | 168,430.61 |
| Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes | <u>811,483.30</u> | | <u>857,629.51</u> | <u>46,146.21</u> |
| Budget Totals | 1,777,619.32 | 16,328.69 | 2,008,524.83 | 214,576.82 |
| Nonbudget Revenues | | | 60,536.25 | 60,536.25 |
| | <u>\$ 1,777,619.32</u> | <u>\$ 16,328.69</u> | <u>\$ 2,069,061.08</u> | <u>\$ 275,113.07</u> |

(Continued)

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2021

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

| | | |
|---|----|--------------|
| Revenue from Collections | \$ | 8,628,446.66 |
| Allocated to: | | |
| School, County and Open Space Taxes | | 8,043,068.34 |
| Balance for Support of Municipal Budget Revenues | | 585,378.32 |
| Add: | | |
| Appropriation: "Reserve for Uncollected Taxes" | | 272,251.19 |
| Amount for Support of Municipal Budget Appropriations | \$ | 857,629.51 |

Receipts from Delinquent Taxes:

| | | |
|----------------------------|----|------------|
| Delinquent Tax Collections | \$ | 164,353.19 |
| Tax Title Liens | | 53,211.36 |
| Delinquent Tax Collections | \$ | 217,564.55 |

Analysis of Non-Budget Revenue:

| | | | |
|---|----|-----------|-----------|
| Appropriation Refunds | \$ | 1,964.60 | |
| Cable Television Franchise Fee | | 15,452.55 | |
| Election Board | | 6,540.00 | |
| Fire Safety Act Fees | | 1,610.00 | |
| Homestead Rebate Admin Fee | | 145.20 | |
| Housing & Zoning Fees | | 6,365.00 | |
| Interest on Investments | | 1,099.97 | |
| Planning Board Fees | | 850.00 | |
| Recycling - Local | | 10,802.69 | |
| Sale of Municipal Assets | | 3,000.00 | |
| Senior and Veteran Deduction Administrative Fee | | 787.90 | |
| Tax Collector - Miscellaneous | | 150.64 | |
| Treasurer - Miscellaneous | | 5,267.70 | |
| Vacant Property Registration | | 6,500.00 | |
| Treasurer | \$ | | 60,349.92 |
| Tax Collector | | | 150.64 |
| Interfunds | | | 35.69 |
| | \$ | | 60,536.25 |

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

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2021

| | Appropriations | | Expended | | |
|--|----------------|---------------------------|-----------------|------------|----------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved |
| OPERATIONS WITHIN "CAPS": | | | | | |
| GENERAL GOVERNMENT FUNCTIONS: | | | | | |
| Mayor and Council: | | | | | |
| Salaries and Wages | \$ 27,950.00 | \$ 27,950.00 | \$ 27,151.20 | \$ | 798.80 |
| Other Expenses | 2,200.00 | 2,200.00 | 608.00 | | 1,592.00 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 88,000.00 | 88,000.00 | 82,018.99 | | 5,981.01 |
| Other Expenses | 12,700.00 | 15,700.00 | 13,125.40 | 135.45 | 2,439.15 |
| Financial Administration: | | | | | |
| Salaries and Wages | 31,000.00 | 31,000.00 | 30,600.00 | | 400.00 |
| Other Expenses | 10,000.00 | 10,000.00 | 6,421.19 | 295.00 | 3,283.81 |
| Computer Consultant | 6,500.00 | 6,500.00 | 6,450.83 | | 49.17 |
| Webmaster: | | | | | |
| Other Expenses | 2,500.00 | 2,500.00 | 2,400.00 | | 100.00 |
| Audit Services: | | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 19,975.00 | | 5,025.00 |
| Revenue Administration (Tax Collection): | | | | | |
| Salaries and Wages | 27,000.00 | 27,000.00 | 24,661.26 | | 2,338.74 |
| Other Expenses | 8,400.00 | 8,400.00 | 6,171.71 | | 2,228.29 |
| Tax Assessment Administration: | | | | | |
| Salaries and Wages | 25,500.00 | 25,500.00 | 23,317.92 | | 2,182.08 |
| Other Expenses | 8,500.00 | 8,500.00 | 4,430.76 | 1,448.37 | 2,620.87 |
| Legal Services: | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 1,548.00 | | 8,452.00 |
| Engineering Services: | | | | | |
| Other Expenses | 17,000.00 | 13,000.00 | 3,595.28 | | 9,404.72 |
| Township Historian | | | | | |
| Salaries and Wages | 825.00 | 825.00 | 808.80 | | 16.20 |
| Other Expenses | 500.00 | 500.00 | - | | 500.00 |
| LAND USE ADMINISTRATION: | | | | | |
| Planning Board: | | | | | |
| Salaries and Wages | 2,500.00 | 2,500.00 | 1,816.76 | | 683.24 |
| Other Expenses | 5,000.00 | 5,000.00 | 1,207.29 | 15.02 | 3,777.69 |

(Continued)

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2021

| | Appropriations | | Expended | | |
|---|----------------|---------------------------|-----------------|------------|-----------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved |
| OPERATIONS WITHIN "CAPS" (CONT'D): | | | | | |
| CODE ENFORCEMENT AND ADMINISTRATION: | | | | | |
| Housing and Zoning: | | | | | |
| Salaries and Wages | \$ 6,500.00 | \$ 6,500.00 | \$ 5,946.25 | \$ | 553.75 |
| Other Expenses | 500.00 | 500.00 | 300.00 | | 200.00 |
| INSURANCE: | | | | | |
| Liability Insurance | 24,000.00 | 24,000.00 | 19,515.50 | | 4,484.50 |
| Workmans Compensation Insurance | 66,235.00 | 66,235.00 | 58,736.50 | | 7,498.50 |
| Group Insurance Plan for Employees | 50,000.00 | 50,000.00 | 46,366.10 | | 3,633.90 |
| Health Benefit Waiver | 2,000.00 | 2,000.00 | 1,916.59 | | 83.41 |
| JIF Coordinator: | | | | | |
| Salaries and Wages | 2,550.00 | 2,550.00 | 2,548.04 | | 1.96 |
| Insurance Safety Programs: | | | | | |
| Other Expenses | 4,500.00 | 4,500.00 | 3,228.25 | \$ 346.44 | 925.31 |
| PUBLIC SAFETY FUNCTIONS: | | | | | |
| Office of Emergency Management: | | | | | |
| Salaries and Wages | 4,800.00 | 4,800.00 | 4,618.57 | | 181.43 |
| Other Expenses | 500.00 | 500.00 | | | 500.00 |
| Aid to Volunteer Fire Companies: | | | | | |
| Other Expenses | 25,650.00 | 25,650.00 | 25,650.00 | | |
| Ambulance: | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 9,940.00 | | 60.00 |
| Uniform Fire Safety Act: | | | | | |
| Salaries and Wages | 1,500.00 | 1,500.00 | - | | 1,500.00 |
| PUBLIC WORKS FUNCTIONS: | | | | | |
| Road Repairs and Maintenance: | | | | | |
| Salaries and Wages | 170,000.00 | 170,000.00 | 143,156.34 | | 26,843.66 |
| Other Expenses | 49,250.00 | 49,250.00 | 34,192.62 | 1,432.98 | 13,624.40 |
| Snow Removal: | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 10,000.00 | | |
| Trash Disposal: | | | | | |
| Other Expenses | 30,000.00 | 32,000.00 | 29,250.00 | | 2,750.00 |
| Recycling: | | | | | |
| Other Expenses | 40,000.00 | 40,000.00 | 29,939.58 | | 10,060.42 |

(Continued)

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2021

| | Appropriations | | Expended | | |
|---|---------------------|---------------------------|-------------------|------------------|-------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved |
| OPERATIONS WITHIN "CAPS" (CONT'D): | | | | | |
| PUBLIC WORKS FUNCTIONS (CONT'D): | | | | | |
| Public Building and Grounds: | | | | | |
| Salaries and Wages | \$ 2,400.00 | \$ 2,400.00 | 2,355.14 | \$ | 44.86 |
| Other Expenses | 46,750.00 | 46,750.00 | 32,238.95 | 7,034.92 | 7,476.13 |
| HEALTH AND HUMAN SERVICES FUNCTIONS: | | | | | |
| Animal Control Services: | | | | | |
| Salaries and Wages | 100.00 | 100.00 | 100.00 | | |
| Other Expenses | 5,000.00 | 5,000.00 | 100.00 | | 4,900.00 |
| PARK AND RECREATION FUNCTIONS: | | | | | |
| Recreation Services and Programs: | | | | | |
| Other Expenses | 500.00 | 500.00 | 113.39 | | 386.61 |
| UTILITY EXPENSES AND BULK PURCHASES: | | | | | |
| Electricity | 35,000.00 | 35,000.00 | 29,702.13 | 3,246.68 | 2,051.19 |
| Street Lighting | 30,000.00 | 30,000.00 | 26,652.83 | 1,212.00 | 2,135.17 |
| Telephone | 18,000.00 | 21,500.00 | 18,125.88 | | 3,374.12 |
| Propane Gas | 2,000.00 | 2,000.00 | 429.47 | 179.51 | 1,391.02 |
| Fuel Oil | 10,000.00 | 10,000.00 | 7,546.29 | 1,718.45 | 735.26 |
| Sewerage | 13,500.00 | 13,500.00 | 13,162.54 | | 337.46 |
| Gasoline & Diesel Fuel | 10,000.00 | 10,000.00 | 9,269.20 | | 730.80 |
| LANDFILL/SOLID WASTE DISPOSAL COSTS: | | | | | |
| Sanitary Landfill: | | | | | |
| Salaries and Wages | 24,000.00 | 24,000.00 | 20,692.73 | | 3,307.27 |
| Other Expenses | 8,500.00 | 8,500.00 | 2,706.78 | | 5,793.22 |
| Salem County Utilities Authority: | | | | | |
| Other Expense - Tipping Fees | 85,000.00 | 80,500.00 | 71,632.30 | | 8,867.70 |
| STATE UNIFORM CONSTRUCTION CODE: | | | | | |
| Construction Official: | | | | | |
| Salaries and Wages | 40,000.00 | 40,000.00 | 35,594.27 | | 4,405.73 |
| Other Expenses | 5,000.00 | 5,000.00 | 752.60 | 41.09 | 4,206.31 |
| Total Operations Within "CAPS" | 1,144,810.00 | 1,144,810.00 | 952,787.23 | 17,105.91 | 174,916.86 |

(Continued)

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2021

| | Appropriations | | Expended | | |
|--|------------------|---------------------------|------------------|------------|-----------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved |
| <u>OPERATIONS WITHIN "CAPS" (CONT'D):</u> | | | | | |
| Detail: | | | | | |
| Salaries and Wages | \$ 454,625.00 | \$ 454,625.00 | \$ 405,386.27 | - | \$ 49,238.73 |
| Other Expenses | 690,185.00 | 690,185.00 | 547,400.96 | 17,105.91 | 125,678.13 |
| | | | | | |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u> | | | | | |
| <u>STATUTORY EXPENDITURES:</u> | | | | | |
| Contribution to: | | | | | |
| Public Employees' Retirement System | 30,538.00 | 30,538.00 | 30,538.00 | | 2,292.01 |
| Social Security System (O.A.S.I.) | 33,000.00 | 33,000.00 | 30,707.99 | | 195.35 |
| NJ Disability Insurance | 500.00 | 500.00 | 304.65 | | 815.30 |
| Defined Contribution Retirement Plan | 2,500.00 | 2,500.00 | 1,684.70 | | |
| | | | | | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" | 66,538.00 | 66,538.00 | 63,235.34 | - | 3,302.66 |
| | | | | | |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | |
| LANDFILL/SOLID WASTE DISPOSAL COSTS | | | | | |
| Recycling Tax | 3,769.38 | 3,769.38 | 2,350.95 | | 1,418.43 |
| <u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</u> | | | | | |
| Pilesgrove - Upper Pittsgrove - Alloway Joint Municipal Court | 15,000.00 | 15,000.00 | 13,433.00 | | 1,567.00 |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u> | | | | | |
| Clean Communities Program Grant (N.J.S.A. 40A: 4-87) | 2,149.67 | 12,877.19 | 12,877.19 | | |
| Municipal Alliance - State Share | 537.42 | 2,149.67 | 2,149.67 | | |
| Municipal Alliance - Local Share | | 537.42 | 537.42 | | |
| Recycling Incentive Grant (N.J.S.A. 40A: 4-87) | | 3,451.50 | 3,451.50 | | |
| | | | | | |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | 21,456.47 | 37,785.16 | 34,799.73 | - | 2,985.43 |
| Detail: | | | | | |
| Salaries and Wages | - | - | - | - | - |
| Other Expenses | 21,456.47 | 37,785.16 | 34,799.73 | - | 2,985.43 |

(Continued)

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2021

| | Appropriations | | Expended | |
|---|------------------------|------------------------------|------------------------|------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered Reserved |
| <u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u> | | | | |
| Capital Improvement Fund | \$ 90,000.00 | \$ 90,000.00 | \$ 90,000.00 | |
| <u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u> | | | | |
| Payment of Bond Principal | 161,213.92 | 161,213.92 | 161,213.92 | |
| Interest on Bonds | 21,349.74 | 21,349.74 | 21,349.74 | |
| TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | 182,563.66 | 182,563.66 | 182,563.66 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 294,020.13 | 310,348.82 | 307,363.39 | \$ 2,985.43 |
| SUBTOTAL GENERAL APPROPRIATIONS | 1,505,368.13 | 1,521,696.82 | 1,323,385.96 | \$ 17,105.91 |
| RESERVE FOR UNCOLLECTED TAXES | 272,251.19 | 272,251.19 | 272,251.19 | |
| TOTAL GENERAL APPROPRIATIONS | <u>\$ 1,777,619.32</u> | <u>\$ 1,793,948.01</u> | <u>\$ 1,595,637.15</u> | <u>\$ 181,204.95</u> |
| Original Budget | \$ 1,777,619.32 | | | |
| N.J.S.A. 40A: 4-87 | | 16,328.69 | | |
| Federal and State Grants | | | \$ 18,478.36 | |
| Reserve for Uncollected Taxes | | | 272,251.19 | |
| Disbursed | | | 1,304,907.60 | |
| | <u>\$ 1,793,948.01</u> | <u>\$ 1,595,637.15</u> | | |

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

**TOWNSHIP OF ALLOWAY
TRUST FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

| | Ref. | <u>2021</u> | <u>2020</u> |
|--|------------|----------------------|----------------------|
| Assets: | | | |
| Animal Control Fund: | | | |
| Cash - Chief Financial Officer | SB-1 | \$ 196.42 | \$ 2,880.00 |
| Municipal Open Space Fund: | | | |
| Cash - Chief Financial Officer | SB-1 | 116,456.98 | 119,444.98 |
| Due from Current Fund | B-1 | 152.88 | - |
| | | <u>116,609.86</u> | <u>119,444.98</u> |
| Other Funds: | | | |
| Cash - Chief Financial Officer | SB-1 | 165,548.36 | 155,722.52 |
| Cash - Tax Collector | SB-2 | 63,981.93 | 61,167.76 |
| Due from Applicants | B | 1,216.94 | 1,216.94 |
| | | <u>230,747.23</u> | <u>218,107.22</u> |
| | | <u>\$ 347,553.51</u> | <u>\$ 340,432.20</u> |
| Liabilities, Reserves and Fund Balance: | | | |
| Animal Control Fund: | | | |
| Due to State of New Jersey | SB-4 | 29.40 | - |
| Reserve for Animal Control Fund Expenditures | SB-5 | 167.02 | 2,880.00 |
| | | <u>196.42</u> | <u>2,880.00</u> |
| Municipal Open Space Fund: | | | |
| Appropriation Reserves | B-2 | 1,000.00 | - |
| Encumbrances Payable | SB-1, SB-8 | 9,350.00 | 28,020.00 |
| Reserve for Future Use | SB-6 | 106,259.86 | 91,424.98 |
| | | <u>116,609.86</u> | <u>119,444.98</u> |

(Continued)

TOWNSHIP OF ALLOWAY
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2021 and 2020

| | <u>Ref.</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|----------------------|----------------------|
| Liabilities, Reserves and Fund Balance (Cont'd): | | | |
| Other Funds: | | | |
| Due Current Fund | SB-7 | \$ 711.82 | \$ 676.13 |
| Encumbrances Payable: | | | |
| Miscellaneous Trust Reserves | SB-8 | 4,055.66 | 4,055.66 |
| Miscellaneous Trust Reserves: | | | |
| Unemployment | SB-8 | 15,825.42 | 15,819.23 |
| Developers' Escrow | SB-8 | 18,118.43 | 17,714.44 |
| Bequest | SB-8 | 81,576.49 | 81,576.49 |
| (Veterans) Donation Account | SB-8 | 2,081.56 | 1,975.16 |
| Recreation - Boat Ramp | SB-8 | 24,428.55 | 21,105.55 |
| Storm Recovery | SB-8 | 18,105.74 | 13,732.78 |
| Payroll | SB-8 | 2,564.90 | 956.80 |
| TTL Premium | SB-8 | 36,600.00 | 59,600.00 |
| TTL Redemption | SB-8 | 26,678.66 | 894.98 |
| | | <u>230,747.23</u> | <u>218,107.22</u> |
| | | <u>\$ 347,553.51</u> | <u>\$ 340,432.20</u> |

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

TOWNSHIP OF ALLOWAY
TRUST FUND
MUNICIPAL OPEN SPACE FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

| | <u>Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--|---------------------|---------------------|--------------------------------|
| Amount to be Raised by Taxation | \$ 14,148.00 | \$ 14,300.88 | \$ 152.88 |
| Miscellaneous Revenues Not Anticipated | | 48.00 | 48.00 |
| | <u>\$ 14,148.00</u> | <u>\$ 14,348.88</u> | <u>\$ 200.88</u> |

Analysis of Realized Revenues:

Amount to be Raised by Taxation:

| | |
|-------------------|---------------------|
| Current Year Levy | \$ 14,148.00 |
| Added Taxes | <u>152.88</u> |
| | <u>\$ 14,300.88</u> |

Miscellaneous Revenues Not Anticipated:

| | |
|-----------------|-----------------|
| Interest Earned | \$ <u>48.00</u> |
|-----------------|-----------------|

Allocation:

| | |
|--------------------------------|---------------------|
| Cash - Chief Financial Officer | \$ 14,196.00 |
| Due Current Fund | <u>152.88</u> |
| | <u>\$ 14,348.88</u> |

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

TOWNSHIP OF ALLOWAY
TRUST FUND
MUNICIPAL OPEN SPACE FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2021

| | Appropriations | | Paid or Charged | Reserved |
|---|----------------|------------------------------|--------------------|-------------|
| | Budget | Budget After Modification | | |
| Development of Lands for Recreation & Conservation: | | | | |
| Other Expenses | \$ 1,000.00 | \$ 1,000.00 | | \$ 1,000.00 |
| Reserve for Future Use | 13,148.00 | 13,148.00 | \$ 13,148.00 | |
| | \$ 14,148.00 | \$ 14,148.00 | \$ 13,148.00 | \$ 1,000.00 |
| Transfer to Reserve for Future Reserve | | | \$ 13,148.00 | |

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

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2021 and 2020

| | <u>Ref.</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|------------------------|------------------------|
| Assets: | | | |
| Cash - Chief Financial Officer | SC-1 | \$ 204,327.28 | \$ 390,219.09 |
| Due From Current Fund | SC-4 | - | 2.00 |
| Deferred Charges to Future Taxation: | | | |
| Funded | SC-3 | <u>946,376.04</u> | <u>1,107,589.96</u> |
| | | <u>\$ 1,150,703.32</u> | <u>\$ 1,497,811.05</u> |
| Liabilities, Reserves and Fund Balance: | | | |
| Due Sewer Utility Capital Fund | SC-1 | - | \$ 20,000.00 |
| Capital Improvement Fund | SC-5 | \$ 37,335.76 | 178,770.99 |
| Encumbrances Payable | SC-6 | 587.26 | - |
| Improvement Authorizations: | | | |
| Funded | SC-6 | 54,531.43 | 79,577.27 |
| NJ Department of Environmental Protection Loan Payable | SC-7 | 946,376.04 | 1,107,589.96 |
| Reserve for: | | | |
| Purchase of Ambulance | C | 35,000.00 | 35,000.00 |
| Alloway Lake Dam | C | 12,665.56 | 12,665.56 |
| Purchase of Generator | C | 10,000.00 | 10,000.00 |
| Municipal Building Drainage Project | C | 20,000.00 | 20,000.00 |
| Fund Balance | C | <u>34,207.27</u> | <u>34,207.27</u> |
| | | <u>\$ 1,150,703.32</u> | <u>\$ 1,497,811.05</u> |

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

TOWNSHIP OF ALLOWAY
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

| | <u>Ref.</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|------------------------|------------------------|
| Assets: | | | |
| Operating Fund: | | | |
| Cash - Chief Financial Officer | SD-1 | \$ 456,362.28 | \$ 430,920.71 |
| Cash - Collector | SD-2 | 53,379.12 | 67,825.16 |
| Due from Current Fund | SD-1;SD-5 | 7,328.86 | 4,463.38 |
| | | <u>517,070.26</u> | <u>503,209.25</u> |
| Receivables With Full Reserves: | | | |
| Consumer Rents Receivable - Sewer | SD-4 | 41,606.94 | 40,613.91 |
| Utility Liens Receivable | SD-5 | 20,234.58 | 24,817.69 |
| | | <u>61,841.52</u> | <u>65,431.60</u> |
| Total Operating Fund | | <u>578,911.78</u> | <u>568,640.85</u> |
| Capital Fund: | | | |
| Cash - Chief Financial Officer | SD-1 | 284,883.97 | 148,903.02 |
| Fixed Capital | SD-6 | 6,953,123.33 | 6,953,123.33 |
| Fixed Capital Authorized and Uncompleted | SD-7 | 100,000.00 | - |
| Due from Bank | D | 2.00 | 2.00 |
| Due from General Capital Fund | SD-1 | - | 20,000.00 |
| Due from Utility Operating Fund | SD-11 | - | 20,000.00 |
| Total Capital Fund | | <u>7,338,009.30</u> | <u>7,142,028.35</u> |
| | | <u>\$ 7,916,921.08</u> | <u>\$ 7,710,669.20</u> |

(Continued)

TOWNSHIP OF ALLOWAY
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

| | Ref. | 2021 | 2020 |
|---|----------|------------------------|------------------------|
| Liabilities, Reserves and Fund Balance: | | | |
| Operating Fund: | | | |
| Appropriation Reserves | D-4;SD-8 | \$ 35,045.49 | \$ 7,084.66 |
| Encumbrances Payable | D-4;SD-8 | 13,399.61 | - |
| Accrued Interest on Bonds and Notes | SD-9 | 7,961.64 | 7,586.93 |
| Utility Rent Overpayments | SD-10 | 2,415.18 | 4,988.65 |
| Due to Utility Capital Fund | SD-11 | - | 20,000.00 |
| | | <u>58,821.92</u> | <u>39,660.24</u> |
| Reserve for Receivables | D | 61,841.52 | 65,431.60 |
| Fund Balance | D-1 | <u>458,248.34</u> | <u>463,549.01</u> |
| Total Operating Fund | | <u>578,911.78</u> | <u>568,640.85</u> |
| Capital Fund: | | | |
| Reserve for Amortization | SD-12 | 4,887,647.55 | 4,643,293.76 |
| Reserve for Deferred Amortization | SD-13 | 100,000.00 | - |
| Capital Improvement Fund | D | 121,800.00 | 121,800.00 |
| Improvement Authorizations: | | | |
| Funded | SD-14 | 87,785.00 | - |
| Serial Bonds | SD-15 | 1,765,000.00 | - |
| Loans Payable - USDA | SD-16 | 300,475.78 | 2,309,829.57 |
| Fund Balance | D-2 | <u>75,300.97</u> | <u>67,105.02</u> |
| Total Capital Fund | | <u>7,338,009.30</u> | <u>7,142,028.35</u> |
| | | <u>\$ 7,916,921.08</u> | <u>\$ 7,710,669.20</u> |

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

TOWNSHIP OF ALLOWAY
SEWER UTILITY FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------------|-----------------------------|
| Revenue and Other Income Realized: | | |
| Fund Balance Utilized | \$ 47,364.00 | \$ 12,245.00 |
| Sewer Rents | 330,585.97 | 380,569.61 |
| Miscellaneous Other | 5,317.06 | 10,740.97 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | <u>1,708.01</u> | <u>1,458.10</u> |
| Total Income | <u>384,975.04</u> | <u>405,013.68</u> |
| Expenditures: | | |
| Operations: | | |
| Salaries and Wages | 14,700.00 | 14,900.00 |
| Other Expenses | 210,000.00 | 148,000.00 |
| Debt Service | 116,991.71 | 136,306.30 |
| Deferred Charges and Statutory Expenditures | <u>1,220.00</u> | <u>12,483.37</u> |
| Total Expenditures | <u>342,911.71</u> | <u>311,689.67</u> |
| Excess in Revenue | 42,063.33 | 93,324.01 |
| Fund Balance January 1 | <u>463,549.01</u> | <u>370,225.00</u> |
| Total | 505,612.34 | 463,549.01 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>47,364.00</u> | <u>-</u> |
| Fund Balance December 31 | <u><u>\$ 458,248.34</u></u> | <u><u>\$ 463,549.01</u></u> |

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

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
Statement of Utility Capital Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2021

| | |
|----------------------------|----------------------------|
| Balance December 31, 2020 | \$ 67,105.02 |
| Increased by: | |
| Excess Bond Issue Proceeds | <u>8,195.95</u> |
| Balance December 31, 2021 | <u><u>\$ 75,300.97</u></u> |

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

TOWNSHIP OF ALLOWAY
SEWER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

| | Anticipated Budget | Realized | Excess or (Deficit) |
|------------------------------------|-----------------------|----------------------|------------------------|
| Operating Fund Balance Anticipated | \$ 47,364.00 | \$ 47,364.00 | |
| Sewer Rents | 315,000.00 | 330,585.97 | \$ 15,585.97 |
| Miscellaneous Other | | 5,317.06 | 5,317.06 |
| | <u>\$ 362,364.00</u> | <u>\$ 383,267.03</u> | <u>\$ 20,903.03</u> |

Analysis of Realized Revenue:

Sewer Rents:

| | |
|------------------------------|----------------------|
| Consumer Accounts Receivable | \$ 323,257.11 |
| Utility Liens Receivable | 7,328.86 |
| | <u>\$ 330,585.97</u> |

Miscellaneous Other:

| | |
|-------------------------------------|--------------------|
| Interest on Investments - Treasurer | \$ 254.97 |
| Interest on Investments - Collector | 12.12 |
| Interest and Costs | 4,790.17 |
| Miscellaneous Other | 259.80 |
| | <u>\$ 5,317.06</u> |

| | |
|-------------------------|--------------------|
| Chief Financial Officer | \$ 254.97 |
| Sewer Collector | 5,062.09 |
| | <u>\$ 5,317.06</u> |

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

TOWNSHIP OF ALLOWAY
SEWER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

| | Appropriations | | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|---|----------------|---------------------------|-----------------|--------------|--------------|------------------------------|
| | Budget | Budget After Modification | | Encumbered | Reserved | |
| Operations: | | | | | | |
| Salaries and Wages | \$ 14,700.00 | \$ 14,700.00 | \$ 12,444.07 | \$ - | \$ 2,255.93 | |
| Other Expenses | 210,000.00 | 210,000.00 | 164,022.72 | 13,399.61 | 32,577.67 | |
| Total Operations | 224,700.00 | 224,700.00 | 176,466.79 | 13,399.61 | 34,833.60 | - |
| Debt Service: | | | | | | |
| Payment of Bond Principal | 42,538.80 | 59,338.80 | 59,294.89 | | | \$ 43.91 |
| Interest on Bonds | 93,905.20 | 77,105.20 | 57,696.82 | | | 19,408.38 |
| Total Debt Service | 136,444.00 | 136,444.00 | 116,991.71 | - | - | 19,452.29 |
| Deferred Charges and Statutory Expenditures: | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to Social Security System | 1,200.00 | 1,200.00 | 995.12 | | 204.88 | |
| New Jersey State Disability | 20.00 | 20.00 | 12.99 | | 7.01 | |
| Total Deferred Charges and Statutory Expenditures | 1,220.00 | 1,220.00 | 1,008.11 | - | 211.89 | - |
| | \$ 362,364.00 | \$ 362,364.00 | \$ 294,466.61 | \$ 13,399.61 | \$ 35,045.49 | \$ 19,452.29 |
| Accrued Interest on Bonds and Notes Disbursed | | | \$ 57,696.82 | | | |
| | | | 236,769.79 | | | |
| | | | \$ 294,466.61 | | | |

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

TOWNSHIP OF ALLOWAY
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2021

| | Balance <u>Dec. 31, 2020</u> | Balance <u>Dec. 31, 2021</u> |
|--|---------------------------------|---------------------------------|
| General Fixed Assets: | | |
| Buildings | \$ 951,555.00 | \$ 951,555.00 |
| Equipment | 2,689,504.25 | 2,689,504.25 |
| Infrastructure | 4,933,185.23 | 4,933,185.23 |
| Land | <u>724,235.86</u> | <u>724,235.86</u> |
| Total General Fixed Assets | <u>\$ 9,298,480.34</u> | <u>\$ 9,298,480.34</u> |
| Total Investment in General Fixed Assets | <u>\$ 9,298,480.34</u> | <u>\$ 9,298,480.34</u> |

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

TOWNSHIP OF ALLOWAY
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Alloway (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 21, 1798. The Township, located in Salem County, New Jersey, has a total area of approximately thirty-four square miles, and is located approximately thirty-eight miles from the City of Philadelphia. The Township borders Mannington Township, Pilesgrove Township, Quinton Township and Upper Pittsgrove Township in Salem County; and Hopewell Township, Stow Creek Township and Upper Deerfield Township in Cumberland County. According to the 2020 census, the population is 3,283.

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.

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

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

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

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current, municipal open space, and sewer utility 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.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

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

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

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

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

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

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

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

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

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

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

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Salem and the Township of Alloway 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 Township of Alloway School District. Operations is charged 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, 2020 and decreased by the amount deferred at December 31, 2021.

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 immediately 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 payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual 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.

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

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. 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 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2021, the Township's bank balances of \$5,800,855.55 were exposed to custodial credit risk as follows:

| | |
|---------------------------|-----------------|
| Insured by FDIC and GUDPA | \$ 5,800,855.55 |
|---------------------------|-----------------|

Note 3: PROPERTY TAXES

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

| | Year Ended | | | | |
|----------------------------|------------|----------|----------|----------|----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Tax Rate | \$ 3.116 | \$ 3.099 | \$ 3.043 | \$ 3.000 | \$ 2.946 |
| Apportionment of Tax Rate: | | | | | |
| Municipal | \$.286 | \$.286 | \$.268 | \$.258 | \$.249 |
| Municipal Open Space | .005 | .005 | .005 | .005 | .005 |
| County | 1.241 | 1.250 | 1.230 | 1.215 | 1.192 |
| County Open Space | .021 | .021 | .022 | .022 | .022 |
| Local School | 1.563 | 1.537 | 1.518 | 1.500 | 1.478 |

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

| <u>Year</u> | <u>Amount</u> |
|-------------|-------------------|
| 2021 | \$ 282,968,689.00 |
| 2020 | 283,147,243.00 |
| 2019 | 281,765,975.00 |
| 2018 | 280,173,570.00 |
| 2017 | 280,222,114.00 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|-----------------|--------------------|----------------------------------|
| 2021 | \$ 8,916,328.33 | \$ 8,628,446.66 | 96.77% |
| 2020 | 8,794,897.62 | 8,528,189.53 | 96.97% |
| 2019 | 8,625,172.69 | 8,379,224.54 | 97.15% |
| 2018 | 8,483,554.05 | 8,237,950.74 | 97.10% |
| 2017 | 8,279,388.87 | 8,050,403.52 | 97.23% |

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> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2021 | \$ 427,380.06 | \$ 215,876.96 | \$ 643,257.02 | 7.21% |
| 2020 | 419,392.28 | 165,364.41 | 584,756.69 | 6.65% |
| 2019 | 373,291.75 | 154,700.82 | 527,992.57 | 6.12% |
| 2018 | 307,439.22 | 149,818.62 | 457,257.84 | 5.39% |
| 2017 | 255,644.20 | 156,228.26 | 411,872.46 | 4.97% |

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> |
|-------------|---------------|
| 2021 | 64 |
| 2020 | 52 |
| 2019 | 55 |
| 2018 | 52 |
| 2017 | 49 |

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> |
|-------------|---------------|
| 2021 | \$ 187,500.00 |
| 2020 | 187,500.00 |
| 2019 | 187,500.00 |
| 2018 | 187,500.00 |
| 2017 | 187,500.00 |

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

| <u>Year</u> | <u>Balance Beginning of Year</u> | | <u>Levy</u> | <u>Total</u> | <u>Cash Collections</u> |
|-------------|----------------------------------|--------------|---------------|---------------|-------------------------|
| | <u>Receivable</u> | <u>Liens</u> | | | |
| 2021 | \$ 40,613.91 | \$ 24,817.69 | \$ 330,503.25 | \$ 395,934.85 | \$ 330,585.97 |
| 2020 | 88,388.90 | 23,808.50 | 333,803.81 | 446,001.21 | 380,569.61 |
| 2019 | 60,606.95 | 15,651.25 | 335,300.25 | 411,558.45 | 299,583.17 |
| 2018 | 49,019.25 | 13,829.78 | 335,899.60 | 398,748.63 | 322,490.43 |
| 2017 | 89,639.67 | 7,045.93 | 332,631.25 | 429,316.85 | 366,669.30 |

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

| <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percentage of Fund Balance Used</u> |
|-------------|-----------------------------|--|--|
| 2021 | \$ 2,225,777.24 | \$ 361,613.00 | 16.25% |
| 2020 | 1,887,268.90 | 137,663.35 | 7.29% |
| 2019 | 1,801,495.60 | 135,712.57 | 7.53% |
| 2018 | 1,573,332.94 | 146,527.59 | 9.31% |
| 2017 | 1,406,281.68 | 131,515.70 | 9.35% |

Sewer Utility Fund

| <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percentage of Fund Balance Used</u> |
|-------------|-----------------------------|--|--|
| 2021 | \$ 458,248.34 | \$ 47,745.00 | 10.42% |
| 2020 | 463,549.01 | 47,364.00 | 10.22% |
| 2019 | 370,225.00 | - | - |
| 2018 | 370,225.00 | - | - |
| 2017 | 343,662.87 | - | - |

Note 7: 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, 2021:

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|------------------------------|----------------------------------|-------------------------------|
| Current | \$ 711.82 | \$ 7,481.74 |
| Trust - Municipal Open Space | 152.88 | |
| Trust - Other | | 711.82 |
| Sewer Utility - Operating | 7,328.86 | |
| Totals | <u>\$ 8,193.56</u> | <u>\$ 8,193.56</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 2022, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 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. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2021 was not available; therefore, the information from the measurement period June 30, 2020 is disclosed below.

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: 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 plan 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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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.

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 11.72% 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 \$30,538.00, 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 \$35,084.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$19,535.01.

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, 2021, employee contributions totaled \$2,363.92, and the Township's contributions were \$1,684.70. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)

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 \$455,227.00. 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 .0027915364%, which was a decrease of .0008153109% 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 (\$10,408.00). 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 \$35,084.00, and was paid on April 1, 2020.

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:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between Expected and Actual Experience | \$ 8,289.00 | \$ 1,610.00 |
| Changes of Assumptions | 14,768.00 | 190,608.00 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 15,560.00 | - |
| Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions | 92,869.00 | 239,443.00 |
| Township Contributions Subsequent to the Measurement Date | 15,269.00 | - |
| | <u>\$ 146,755.00</u> | <u>\$ 431,661.00</u> |

Note 8: 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) - Deferred outflows of resources in the amounts of \$15,269.00 for PERS, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

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 8: 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 | \$ (65,785.00) |
| 2022 | (92,167.00) |
| 2023 | (86,461.00) |
| 2024 | (47,466.00) |
| 2025 | (8,296.00) |
| | \$ (300,175.00) |

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% |
| 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 8: 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.

For PERS, 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> | |

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

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

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 | \$ 573,054.00 | \$ 455,227.00 | \$ 355,247.00 |

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS respective 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 8: 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)

| | Measurement Date Ended June 30, | | | |
|--|---------------------------------|---------------|---------------|-----------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Township's Proportion of the Net Pension Liability | 0.0027915364% | 0.0036068473% | 0.0000000000% | 0.0044551277% |
| Township's Proportionate Share of the Net Pension Liability | \$ 455,227.00 | \$ 649,899.00 | \$ 707,093.00 | \$ 1,037,083.00 |
| Township's Covered Payroll (Plan Measurement Period) | \$ 202,008.00 | \$ 256,308.00 | \$ 252,196.00 | \$ 272,500.00 |
| Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 225.35% | 253.56% | 280.37% | 380.58% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 58.32% | 56.27% | 53.60% | 48.10% |
| | Measurement Date Ended June 30, | | | |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| Township's Proportion of the Net Pension Liability | 0.0029149501% | 0.0029362645% | 0.0030972158% | 0.0037403801% |
| Township's Proportionate Share of the Net Pension Liability | \$ 863,325.00 | \$ 659,133.00 | \$ 579,884.00 | \$ 714,861.00 |
| Township's Covered Payroll (Plan Measurement Period) | \$ 202,260.00 | \$ 202,540.00 | \$ 201,580.00 | \$ 258,028.00 |
| Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 426.84% | 325.43% | 287.67% | 277.05% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 40.14% | 47.93% | 52.08% | 48.72% |

Note 8: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)*

| | Year Ended December 31, | | | |
|--|-------------------------|--------------------|--------------------|--------------------|
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Township's Contractually Required Contribution | \$ 30,538.00 | \$ 35,084.00 | \$ 35,721.00 | \$ 41,272.00 |
| Township's Contribution in Relation to the Contractually Required Contribution | <u>(30,538.00)</u> | <u>(35,084.00)</u> | <u>(35,721.00)</u> | <u>(41,272.00)</u> |
| Township's Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Township's Covered Payroll (Calendar Year) | \$ 260,466.00 | \$ 233,030.00 | \$ 258,614.00 | \$ 243,037.00 |
| Township's Contributions as a Percentage of Covered Payroll | 11.72% | 15.06% | 13.81% | 16.98% |
| | Year Ended December 31, | | | |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| Township's Contractually Required Contribution | \$ 25,896.00 | \$ 25,244.00 | \$ 25,533.00 | \$ 28,183.00 |
| Township's Contribution in Relation to the Contractually Required Contribution | <u>(25,896.00)</u> | <u>(25,244.00)</u> | <u>(25,533.00)</u> | <u>(28,183.00)</u> |
| Township's Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Township's Covered Payroll (Calendar Year) | \$ 241,200.00 | \$ 223,771.00 | \$ 206,098.00 | \$ 215,833.00 |
| Township's Contributions as a Percentage of Covered Payroll | 10.74% | 11.28% | 12.39% | 13.06% |

Note 8: 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 9: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused vacation days. Vacation days not used during the year may be accumulated and carried forward. The Township compensates employees for unused vacation days upon termination or retirement.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2021, accrued benefits for compensated absences are valued at \$2,816.38.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

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

Utility Refunding Bonds, Series 2021 - On November 3, 2021, the Township issued \$1,800,000.00 in utility refunding bonds, at an interest rate of 4.0%, to refund \$1,985,058.90 in two outstanding 2009 USDA loans. The final maturity of the bonds is December 1, 2049.

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

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|------------------------|------------------------|
| 2022 | \$ 35,000.00 | \$ 70,600.00 | \$ 105,600.00 |
| 2023 | 35,000.00 | 69,200.00 | 104,200.00 |
| 2024 | 40,000.00 | 67,800.00 | 107,800.00 |
| 2025 | 40,000.00 | 66,200.00 | 106,200.00 |
| 2026 | 40,000.00 | 64,600.00 | 104,600.00 |
| 2027-2031 | 235,000.00 | 296,800.00 | 531,800.00 |
| 2032-2036 | 280,000.00 | 246,600.00 | 526,600.00 |
| 2037-2041 | 345,000.00 | 185,400.00 | 530,400.00 |
| 2042-2046 | 420,000.00 | 110,400.00 | 530,400.00 |
| 2047-2049 | 295,000.00 | 23,800.00 | 318,800.00 |
| Totals | <u>\$ 1,765,000.00</u> | <u>\$ 1,201,400.00</u> | <u>\$ 2,966,400.00</u> |

Note 11: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Protection Loan**

On December 8, 2009, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$2,684,468.94, at an interest rate of 2.0%. The proceeds were used to fund the reconstruction of the Alloway Lake Dam. Semiannual debt payments are due June 10th and December 10th through June 2027.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Department of Environmental Protection loan:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|---------------------|------------------------|
| 2022 | \$ 164,454.32 | \$ 18,109.34 | \$ 182,563.66 |
| 2023 | 167,759.85 | 14,803.81 | 182,563.66 |
| 2024 | 171,131.82 | 11,431.84 | 182,563.66 |
| 2025 | 174,571.57 | 7,992.09 | 182,563.66 |
| 2026 | 178,080.46 | 4,483.20 | 182,563.66 |
| 2027 | 90,378.02 | 903.78 | 91,281.80 |
| Totals | <u>\$ 946,376.04</u> | <u>\$ 57,724.06</u> | <u>\$ 1,004,100.10</u> |

General Debt – United States Department of Agriculture Loan

On October 7, 2010, the Township entered into a loan agreement with the United States Department of Agriculture to provide \$2,490,000.00, at an interest rate of 3.25%. The proceeds were used to fund the final portion of the Township's sanitary sewer construction project. Semiannual debt payments are due April 7th and October 7th through 2050.

The following schedule represents the remaining debt service, through maturity, for the United States Department of Agriculture loans:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|----------------------|----------------------|
| 2022 | \$ 6,624.98 | \$ 8,965.02 | \$ 15,590.00 |
| 2023 | 6,825.23 | 8,764.77 | 15,590.00 |
| 2024 | 7,031.52 | 8,558.48 | 15,590.00 |
| 2025 | 7,244.04 | 8,345.96 | 15,590.00 |
| 2026 | 7,462.99 | 8,127.01 | 15,590.00 |
| 2027-2031 | 40,837.98 | 37,112.02 | 77,950.00 |
| 2032-2036 | 47,394.15 | 30,555.85 | 77,950.00 |
| 2037-2041 | 55,002.84 | 22,947.16 | 77,950.00 |
| 2042-2046 | 63,833.03 | 14,116.97 | 77,950.00 |
| 2047-2050 | 58,219.02 | 3,992.61 | 62,211.63 |
| Totals | <u>\$ 300,475.78</u> | <u>\$ 151,485.85</u> | <u>\$ 451,961.63</u> |

Note 11: CAPITAL DEBT (CONT'D)

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--------------------------|----------------------|------------------------|------------------------|
| <u>Issued</u> | | | |
| General: | | | |
| Loans | \$ 946,376.04 | \$ 1,107,589.96 | \$ 1,265,627.32 |
| Sewer Utility: | | | |
| Bonds and Loans | 2,065,475.78 | 2,309,829.57 | 2,350,692.67 |
| Total Issued | <u>3,011,851.82</u> | <u>3,417,419.53</u> | <u>3,616,319.99</u> |
| <u>Deductions</u> | | | |
| Sewer Utility: | | | |
| Self-Liquidating | 2,065,475.78 | 2,309,829.57 | 2,350,692.67 |
| Total Deductions | <u>2,065,475.78</u> | <u>2,309,829.57</u> | <u>2,350,692.67</u> |
| Net Debt | <u>\$ 946,376.04</u> | <u>\$ 1,107,589.96</u> | <u>\$ 1,265,627.32</u> |

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 .32%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-----------------|------------------------|------------------------|----------------------|
| School Purposes | \$ 795,000.00 | \$ 795,000.00 | |
| Utilities | 2,065,475.78 | 2,065,475.78 | |
| General | 946,376.04 | | \$ 946,376.04 |
| | <u>\$ 3,806,851.82</u> | <u>\$ 2,860,475.78</u> | <u>\$ 946,376.04</u> |

Net debt \$946,376.04 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$295,113,338.67, equals .32%.

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

| | |
|---|------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 10,328,966.85 |
| Less: Net Debt | <u>946,376.04</u> |
| Remaining Borrowing Power | <u>\$ 9,382,590.81</u> |

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

| | |
|--|---------------------|
| Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year | \$ 383,267.03 |
| Deductions: | |
| Operating and Maintenance Costs | \$ 224,822.00 |
| Debt Service | <u>116,991.71</u> |
| Total Deductions | <u>341,813.71</u> |
| Deficit in Revenue | <u>\$ 41,453.32</u> |

Note 12: SCHOOL TAXES

Alloway Township Board of Education 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>2021</u> | <u>2020</u> |
| Balance of Tax | \$ 2,216,236.45 | \$ 2,179,689.45 |
| Deferred | <u>540,000.00</u> | <u>540,000.00</u> |
| Taxes Payable | <u>\$ 1,676,236.45</u> | <u>\$ 1,639,689.45</u> |

Note 13: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

| <u>Year</u> | <u>Township Contributions</u> | <u>Employee Contributions</u> | <u>Interest Earnings</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|-------------------------------|-------------------------------|--------------------------|--------------------------|-----------------------|
| 2021 | \$ - | \$ - | \$ 6.19 | \$ - | \$ 15,825.42 |
| 2020 | - | - | 28.61 | - | 15,819.23 |
| 2019 | - | - | 76.74 | - | 15,790.62 |

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

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

Note 13: RISK MANAGEMENT (CONT'D)

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

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

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

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

The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

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

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

Note 14: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 2004, and November 7, 2006, 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 Alloway Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2005, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed five cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Alloway Open Space, Recreation and Farmland Preservation Trust Funds.

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: SUBSEQUENT EVENTS

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 2022.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statement of Current Cash - Chief Financial Officer
 For the Year Ended December 31, 2021

| | Current Fund | Federal and State Grant Fund |
|--|-----------------|------------------------------|
| Balance December 31, 2020 | \$ 3,646,908.93 | \$ 47,575.70 |
| Increased by Receipts: | | |
| Tax Collector | \$ 8,981,348.02 | |
| Revenue Accounts Receivable | 696,106.02 | |
| Miscellaneous Revenue Not Anticipated | 60,349.92 | |
| Due from State of New Jersey | 39,395.21 | |
| Federal & State Grants Receivable | | \$ 193,219.34 |
| Local Match due from Current Fund | | 537.42 |
| Due to State Marriage Licenses | 275.00 | |
| Due to State DCA Fees | 3,941.42 | |
| | 9,781,415.59 | 193,756.76 |
| | 13,428,324.52 | 241,332.46 |
| Decreased by Disbursements: | | |
| 2020 Appropriation Reserves | 26,486.55 | |
| 2021 Appropriations | 1,304,907.60 | |
| County Taxes | 3,567,500.91 | |
| Due County for Added and Omitted Taxes | 38,625.55 | |
| Local District School Tax | 4,386,094.00 | |
| Municipal Open Space Tax | 14,148.00 | |
| Refund Tax Overpayments | 5,038.09 | |
| Federal & State Grant Expenditures | | 16,523.89 |
| Due General Capital Fund | 2.00 | |
| Due Sewer Utility Operating Fund | 4,463.38 | |
| Due to Sewer Utility Capital Fund | | 100,000.00 |
| Due to State Marriage Licenses | 250.00 | |
| Due to State DCA Fees | 4,004.65 | |
| | 9,351,520.73 | 116,523.89 |
| Balance December 31, 2021 | \$ 4,076,803.79 | \$ 124,808.57 |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Current Cash --Tax Collector
For the Year Ended December 31, 2021

| | | | |
|---------------------------------------|----|-----------------|--------------------------|
| Balance December 31, 2020 | | \$ | 349,343.80 |
| Increased by: | | | |
| Taxes Receivable | \$ | 8,537,368.48 | |
| Tax Title Liens Receivable | | 53,211.36 | |
| Prepaid Taxes | | 225,669.62 | |
| Tax Overpayments | | 6,522.05 | |
| Revenue Accounts Receivable | | 68,583.04 | |
| Miscellaneous Revenue Not Anticipated | | 150.64 | |
| Due Sewer Utility Operating Fund | | <u>7,328.86</u> | |
| | | | <u>8,898,834.05</u> |
| | | | 9,248,177.85 |
| Decreased by: | | | |
| Payments to Chief Financial Officer | | | <u>8,981,348.02</u> |
| Balance December 31, 2021 | | \$ | <u><u>266,829.83</u></u> |

TOWNSHIP OF ALLOWAY
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2021

| Year | Balance Dec. 31, 2020 | 2021 Levy | Added Taxes | 2020 Collections | 2021 Collections | Over- Payments Applied | Canceled | Transferred To Tax Title Liens | Balance Dec. 31, 2021 |
|---|--------------------------|-----------------|-----------------|---------------------|---------------------|------------------------------|--------------|--------------------------------------|--------------------------|
| 2020 | \$ 165,364.41 | | \$ 4,106.05 | \$ | \$ 164,353.19 | | | \$ | 5,117.27 |
| 2021 | | \$ 8,916,328.33 | | \$ 207,324.99 | \$ 8,414,515.29 | \$ 6,606.38 | \$ 15,262.16 | \$ 61,859.82 | 210,759.69 |
| | \$ 165,364.41 | \$ 8,916,328.33 | \$ 4,106.05 | \$ 207,324.99 | \$ 8,578,868.48 | \$ 6,606.38 | \$ 15,262.16 | \$ 61,859.82 | 215,876.96 |
| Taxes Receivable | | | | | | | | | |
| Senior Citizens and Veterans | | | | | | | | | |
| | | | \$ 8,537,368.48 | | \$ 41,500.00 | | | | |
| | | | \$ 8,578,868.48 | | | | | | |
| Analysis of 2021 Property Tax Levy | | | | | | | | | |
| <u>Tax Yield:</u> | | | | | | | | | |
| | | | \$ 8,821,384.15 | | | | | | |
| | | | \$ 94,944.18 | | | \$ 8,916,328.33 | | | |
| <u>Tax Levy:</u> | | | | | | | | | |
| | | | \$ 4,422,641.00 | | | | | | |
| Local School District Tax (Abstract) | | | | | | | | | |
| County Taxes: | | | | | | | | | |
| | | | \$ 3,567,500.91 | | | | | | |
| | | | \$ 38,525.55 | | \$ 3,606,126.46 | | | | |
| Municipal Open Space Tax: | | | | | | | | | |
| | | | 14,148.00 | | | | | | |
| | | | 152.88 | | 14,300.88 | | | | |
| Local Tax for Municipal Purposes | | | | | | | | | |
| | | | 811,483.30 | | | | | | |
| | | | 61,776.69 | | 873,259.99 | | | \$ 8,916,328.33 | |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2021

| | | |
|---------------------------------|--------------|---------------|
| Balance December 31, 2020 | | \$ 419,392.28 |
| Increased by: | | |
| Transfers from Taxes Receivable | \$ 61,859.82 | |
| Interest and Costs on Sale | 794.51 | |
| | | 62,654.33 |
| | | 482,046.61 |
| Decreased by: | | |
| Collections | 53,211.36 | |
| Canceled | 1,455.19 | |
| | | 54,666.55 |
| Balance December 31, 2021 | | \$ 427,380.06 |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Due State of New Jersey - Senior Citizen's and Veteran's Deductions
For the Year Ended December 31, 2021

| | | |
|---|-----------------|----------------------------|
| Balance December 31, 2020 | | \$ 2,750.00 |
| Increased by: | | |
| Received from State of New Jersey | \$ 39,395.21 | |
| Deductions Disallowed by Collector - 2020 Taxes | 2,104.79 | |
| Deductions Disallowed by Collector - 2021 Taxes | <u>1,000.00</u> | |
| | | <u>42,500.00</u> |
| | | 45,250.00 |
| Decreased by: | | |
| Deductions per Tax Billing: | | |
| Senior Citizens | 9,750.00 | |
| Veterans | 31,750.00 | |
| Deductions Allowed by Collector - 2021 Taxes | <u>1,000.00</u> | |
| | | <u>42,500.00</u> |
| Balance December 31, 2021 | | <u><u>\$ 2,750.00</u></u> |
| <u>Analysis of Amount Realized:</u> | | |
| Senior Citizens' and Veterans' Deductions Per Tax Billings | \$ 41,500.00 | |
| Senior Citizens' and Veterans' Deductions Allowed - 2021 | <u>1,000.00</u> | |
| | | \$ 42,500.00 |
| Less: | | |
| Senior Citizens' and Veterans' Deductions Disallowed - 2021 | | <u>1,000.00</u> |
| | | <u><u>\$ 41,500.00</u></u> |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2021

| | Accrued In 2021 | Collected |
|---|--------------------|---------------|
| Miscellaneous Revenue Anticipated: | | |
| Licenses: | | |
| Alcoholic Beverages | \$ 1,186.80 | \$ 1,186.80 |
| Fines and Costs: | | |
| Municipal Court | 2,808.70 | 2,808.70 |
| Interest on Taxes | 68,583.04 | 68,583.04 |
| SCUA Host Community Benefits | 234,815.37 | 234,815.37 |
| Energy Receipts Tax P.L. 1997, Chapters 162 & 167 | 327,413.00 | 327,413.00 |
| Garden State Trust PILOT | 88,735.00 | 88,735.00 |
| Watershed Moratorium Offset Aid | 188.00 | 188.00 |
| Uniform Construction Code Fees | 35,076.58 | 35,076.58 |
| JIF Safety Funds | 5,882.57 | 5,882.57 |
| Reserve for Abandoned Property Registrations | 12,500.00 | 12,500.00 |
| | \$ 777,189.06 | \$ 777,189.06 |
| Treasurer | | \$ 696,106.02 |
| Tax Collector | | 68,583.04 |
| Reserve for Abandoned Property Registrations | | 12,500.00 |
| | | \$ 777,189.06 |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2021

| | Balance December 31, 2020 | | Balance After Modification | Paid or Charged | Balance Lapsed |
|------------------------------------|---------------------------|-----------|----------------------------------|--------------------|-------------------|
| | Encumbered | Reserved | | | |
| <u>Operations Within "CAPS":</u> | | | | | |
| Mayor and Council: | | | | | |
| Salaries and Wages | | \$ 798.80 | \$ 798.80 | | \$ 798.80 |
| Other Expenses | | 1,367.00 | 1,367.00 | | 1,367.00 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | | 5,056.76 | 5,056.76 | | 5,056.76 |
| Other Expenses | | 4,327.14 | 4,327.14 | \$ 38.36 | 4,288.78 |
| Financial Administration: | | | | | |
| Salaries and Wages | | 794.89 | 794.89 | | 794.89 |
| Other Expenses | | 1,238.06 | 1,238.06 | 499.50 | 738.56 |
| Computer Consultant | | 816.88 | 816.88 | | 816.88 |
| Webmaster: | | | | | |
| Other Expenses | | 259.47 | 259.47 | | 259.47 |
| Audit Services: | | | | | |
| Other Expenses | | 5,875.00 | 5,875.00 | | 5,875.00 |
| Revenue Administration: | | | | | |
| Salaries and Wages | | 2,178.91 | 2,178.91 | | 2,178.91 |
| Other Expenses | | 153.39 | 153.39 | | 153.39 |
| Tax Assessment Administration: | | | | | |
| Salaries and Wages | | 53.28 | 53.28 | | 53.28 |
| Other Expenses | \$ 13.35 | 5,960.19 | 5,973.54 | 13.35 | 5,960.19 |
| Legal Services: | | | | | |
| Other Expenses | | 13,953.00 | 13,953.00 | 92.00 | 13,861.00 |
| Engineering Services: | | | | | |
| Other Expenses | | 5,877.10 | 5,877.10 | | 5,877.10 |
| Township Historian: | | | | | |
| Salaries and Wages | | 7.04 | 7.04 | | 7.04 |
| Other Expenses | | 500.00 | 500.00 | | 500.00 |
| Planning Board: | | | | | |
| Salaries and Wages | | 2,924.73 | 2,924.73 | | 2,924.73 |
| Other Expenses | | 5,439.28 | 5,439.28 | 925.00 | 4,514.28 |
| Housing and Zoning: | | | | | |
| Salaries and Wages | | 264.24 | 264.24 | | 264.24 |
| Other Expenses | | 625.00 | 625.00 | | 625.00 |
| Insurance: | | | | | |
| Liability Insurance | | 3,010.44 | 3,010.44 | | 3,010.44 |
| Workman's Compensation Insurance | | 0.56 | 0.56 | | 0.56 |
| Group Insurance Plan for Employees | | 1,975.32 | 1,975.32 | | 1,975.32 |
| JIF Coordinator: | | | | | |
| Salaries and Wages | | 2.08 | 2.08 | | 2.08 |
| Insurance Safety Programs: | | | | | |
| Other Expenses | 113.24 | 1,096.98 | 1,210.22 | 1,075.43 | 134.79 |
| Office of Emergency Management: | | | | | |
| Salaries and Wages | | 71.92 | 71.92 | | 71.92 |
| Other Expenses | | 1,100.00 | 1,100.00 | | 1,100.00 |
| Ambulance: | | | | | |
| Safety Equipment Program | | 4,000.00 | 4,000.00 | | 4,000.00 |
| Miscellaneous Other Expenses | | 60.00 | 60.00 | 60.00 | |
| Uniform Fire Safety Act | | | | | |
| Other Expenses | | 2,850.00 | 2,850.00 | | 2,850.00 |
| Road Repairs and Maintenance: | | | | | |
| Salaries and Wages | | 21,455.33 | 21,455.33 | | 21,455.33 |
| Other Expenses | 5,710.87 | 4,882.79 | 10,593.66 | 4,379.77 | 6,213.89 |
| Trash Disposal: | | | | | |
| Other Expenses | | 60.00 | 60.00 | | 60.00 |

(Continued)

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2021

| | Balance December 31, 2020 | | Balance After Modification | Paid or Charged | Balance Lapsed |
|---|---------------------------|-----------------------|----------------------------------|----------------------|-----------------------|
| | Encumbered | Reserved | | | |
| <u>Operations Within "CAPS" (CONT'D):</u> | | | | | |
| Recycling: | | | | | |
| Other Expenses | | \$ 1,397.67 | \$ 1,397.67 | \$ 1,397.67 | |
| Public Building and Grounds: | | | | | |
| Salaries and Wages | | 90.96 | 90.96 | | \$ 90.96 |
| Other Expenses: | | | | | |
| Alloway Lake Dam Inspections | | 4,750.00 | 4,750.00 | | 4,750.00 |
| Miscellaneous Other Expenses | \$ 7,650.00 | 19,364.80 | 27,014.80 | 7,725.00 | 19,289.80 |
| Animal Control Regulation: | | | | | |
| Salaries and Wages | | 100.00 | 100.00 | | 100.00 |
| Other Expenses | | 3,000.00 | 3,000.00 | | 3,000.00 |
| Recreation Services and Programs: | | | | | |
| Other Expenses | | 1,000.00 | 1,000.00 | | 1,000.00 |
| Sanitary Landfill: | | | | | |
| Salaries and Wages | | 2,984.94 | 2,984.94 | | 2,984.94 |
| Other Expenses | | 9,946.25 | 9,946.25 | | 9,946.25 |
| Salem County Utilities Authority: | | | | | |
| Other Expenses - Tipping Fees | | 7,770.47 | 7,770.47 | 6,835.97 | 934.50 |
| Utilities: | | | | | |
| Electricity | | 9,680.62 | 9,680.62 | | 9,680.62 |
| Street Lighting | | 669.31 | 669.31 | 58.15 | 611.16 |
| Telephone | | 3,629.35 | 3,629.35 | 46.68 | 3,582.67 |
| Propane Gas (Natural Gas) | | 2,366.84 | 2,366.84 | 32.70 | 2,334.14 |
| Fuel Oil | 523.16 | 14,250.57 | 14,773.73 | 661.87 | 14,111.86 |
| Sewerage | | 337.50 | 337.50 | | 337.50 |
| Gasoline & Diesel Fuel | | 6,431.93 | 6,431.93 | 348.28 | 6,083.65 |
| Construction Officials: | | | | | |
| Salaries and Wages | | 13,480.19 | 13,480.19 | | 13,480.19 |
| Other Expenses | 311.82 | 5,320.86 | 5,632.68 | 311.82 | 5,320.86 |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Social Security System (O.A.S.I.) | | 2,545.06 | 2,545.06 | | 2,545.06 |
| Defined Contribution Retirement Plan | | 1,140.82 | 1,140.82 | | 1,140.82 |
| NJ Disability Insurance | | 693.02 | 693.02 | | 693.02 |
| Total General Appropriations for Municipal Purposes Within "CAPS" | <u>14,322.44</u> | <u>209,986.74</u> | <u>224,309.18</u> | <u>24,501.55</u> | <u>199,807.63</u> |
| <u>OPERATIONS EXCLUDED FROM "CAPS":</u> | | | | | |
| Aid to Library | | 237.50 | 237.50 | | 237.50 |
| Recycling Tax | | 206.40 | 206.40 | | 206.40 |
| Interlocal Service Agreements: | | | | | |
| Pilesgrove-Upper Pittsgrove-Alloway Joint Municipal Court | | 4,929.00 | 4,929.00 | 1,985.00 | 2,944.00 |
| Total General Appropriations for Municipal Purposes Excluded from "CAP" | <u>-</u> | <u>5,372.90</u> | <u>5,372.90</u> | <u>1,985.00</u> | <u>3,387.90</u> |
| | <u>\$ 14,322.44</u> | <u>\$ 215,359.64</u> | <u>\$ 229,682.08</u> | <u>\$ 26,486.55</u> | <u>\$ 203,195.53</u> |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2021

| | | |
|---|--|-----------------------------|
| Balance December 31, 2020 (2021 Taxes) | | \$ 207,324.99 |
| Increased by: | | |
| Collection (2022 Taxes) | | <u>225,669.62</u> |
| | | 432,994.61 |
| Decreased by: | | |
| Application to 2021 Taxes | | <u>207,324.99</u> |
| Balance December 31, 2021 (2022 Taxes) | | <u><u>\$ 225,669.62</u></u> |

Exhibit SA-9

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2021

| | | |
|---------------------------|-----------------|---------------------------|
| Balance December 31, 2020 | | \$ 6,606.38 |
| Increased by: | | |
| Overpayments Received | | <u>6,522.05</u> |
| | | 13,128.43 |
| Decreased by: | | |
| Refunded | \$ 5,038.09 | |
| Applied | <u>6,606.38</u> | |
| | | <u>11,644.47</u> |
| Balance December 31, 2021 | | <u><u>\$ 1,483.96</u></u> |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2021

| | | |
|-------------------|------------------|------------------------|
| 2021 Levy: | | |
| County General | \$ 3,509,107.24 | |
| County Open Space | <u>58,393.67</u> | |
| | | \$ 3,567,500.91 |
| | | |
| Decreased by: | | |
| Disbursements | | <u>\$ 3,567,500.91</u> |

Exhibit SA-11

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Amount Due to County for Added and Omitted Taxes
For the Year Ended December 31, 2021

| | | |
|--|--|---------------------|
| Added Taxes -- 2021 (R.S. 54:4-63.1 et seq.) | | \$ 38,625.55 |
| | | |
| Decreased by: | | |
| Disbursements | | <u>\$ 38,625.55</u> |

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Municipal Open Space Tax
For the Year Ended December 31, 2021

Increased by:

Levy

\$ 14,148.00

Added Taxes -- 2021 (R.S. 54:4-63.1 et seq.)

152.8814,300.88

14,300.88

Decreased by:

Disbursements

14,148.00

Balance December 31, 2021

\$ 152.88

TOWNSHIP OF ALLOWAY
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2021

| | | |
|--|-----------------|-----------------|
| <hr/> | | |
| Balance December 31, 2020 | | |
| School Tax Payable | \$ 1,639,689.45 | . |
| School Tax Deferred | 540,000.00 | |
| | | \$ 2,179,689.45 |
| | | |
| Increase by: | | |
| Levy - School Year July 1, 2021 to June 30, 2022 | | 4,422,641.00 |
| | | 6,602,330.45 |
| | | |
| Decreased by: | | |
| Disbursements | | 4,386,094.00 |
| | | |
| Balance December 31, 2021 | | |
| School Tax Payable | 1,676,236.45 | |
| School Tax Deferred | 540,000.00 | |
| | | \$ 2,216,236.45 |
| | | |
| <u>2021 Liability for Local School Tax:</u> | | |
| Tax Paid | | \$ 4,386,094.00 |
| Tax Payable December 31, 2021 | | 1,676,236.45 |
| | | 6,062,330.45 |
| | | |
| Less: | | |
| Tax Payable December 31, 2020 | | 1,639,689.45 |
| Amount Charged to 2021 Operations | | \$ 4,422,641.00 |

TOWNSHIP OF ALLOWAY
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2021

| <u>Program</u> | <u>Balance Dec. 31, 2020</u> | <u>Accrued</u> | <u>Received</u> | <u>Balance Dec. 31, 2021</u> |
|---|----------------------------------|----------------|-----------------|----------------------------------|
| Federal Grants: | | | | |
| American Rescue Plan | - | \$ 175,790.83 | \$ 175,790.83 | - |
| Total Federal Grants | - | 175,790.83 | 175,790.83 | - |
| State Grants: | | | | |
| Association NJ Environmental Commission | \$ 23.20 | 3,451.50 | 3,451.50 | \$ 23.20 |
| Clean Communities Program | | 12,877.19 | 12,877.19 | |
| Municipal Alliance on Alcoholism and Drug Abuse | 5,701.86 | 2,149.67 | 1,099.82 | 6,751.71 |
| NJ Department of Transportation | 20,775.31 | | | 20,775.31 |
| NJ Environmental Protection | 2,500.00 | | | 2,500.00 |
| Total State Grants | 29,000.37 | 18,478.36 | 17,428.51 | 30,050.22 |
| | \$ 29,000.37 | \$ 194,269.19 | \$ 193,219.34 | \$ 30,050.22 |

TOWNSHIP OF ALLOWAY
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2021

| <u>Program</u> | <u>Federal and State Grants Receivable</u> | <u>Realized as Revenue in 2021 Budget</u> | <u>Transfer to Utility Capital Fund</u> | <u>Balance Dec. 31, 2021</u> |
|---|--|---|---|----------------------------------|
| Federal Grants: | | | | |
| American Rescue Plan | \$ 175,790.83 | _____ | \$ 100,000.00 | \$ 75,790.83 |
| Total Federal Grants | <u>175,790.83</u> | <u>-</u> | <u>100,000.00</u> | <u>75,790.83</u> |
| State Grants: | | | | |
| Association NJ Environmental Commission | 3,451.50 | \$ 3,451.50 | _____ | _____ |
| Clean Communities Program | 12,877.19 | 12,877.19 | _____ | _____ |
| Municipal Alliance on Alcoholism and Drug Abuse | 2,149.67 | 2,149.67 | _____ | _____ |
| Total State Grants | <u>18,478.36</u> | <u>18,478.36</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 194,269.19</u> | <u>\$ 18,478.36</u> | <u>\$ 100,000.00</u> | <u>\$ 75,790.83</u> |

TOWNSHIP OF ALLOWAY
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants - Appropriated
 For the Year Ended December 31, 2021

| Program | Balance Dec. 31, 2020 | | Transferred from 2021 Budget Appropriation | Disbursed | Balance Dec. 31, 2021 |
|---|--------------------------|-----------------|--|------------------|--------------------------|
| | Appropriated | Encumbered | | | |
| State Grants: | | | | | |
| Association NJ Environmental Commission | \$ 25.20 | | \$ 12,877.19 | \$ 9,514.46 | \$ 25.20 |
| Clean Communities Program | 37,442.90 | | 2,687.09 | 1,112.84 | 40,805.63 |
| Municipal Alliance on Alcoholism and Drug Abuse | 5,045.49 | 1,590.00 | | | 8,209.74 |
| NJ Department of Transportation | 21,730.31 | | 3,451.50 | | 21,730.31 |
| Recycling Tonnage Grant | 10,742.17 | | | 5,896.59 | 8,297.08 |
| Total State Grants | 74,986.07 | 1,590.00 | 19,015.78 | 16,523.89 | 79,067.96 |
| Realized as Revenue in Budget | \$ 74,986.07 | \$ 1,590.00 | \$ 19,015.78 | \$ 16,523.89 | \$ 79,067.96 |
| Local Match - Due from Current Fund | | | \$ 18,478.36 | | |
| | | | 537.42 | | |
| | | | \$ 19,015.78 | | |

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF ALLOWAY
TRUST FUND
 Statement of Trust Cash - Chief Financial Officer
 For the Year Ended December 31, 2021

| | Animal Control | Open Space | Other Trust |
|----------------------------------|-------------------------|-----------------------------|-----------------------------|
| Balance December 31, 2020 | \$ 2,880.00 | \$ 119,444.98 | \$ 155,722.52 |
| Increased by Receipts: | | | |
| Animal Control Fees | \$ 10,175.00 | | |
| State Dog License Fees | 1,254.00 | | |
| Due Current Fund | 1.46 | \$ 56.60 | |
| Reserve for Open Space Fund | \$ 14,196.00 | | |
| Miscellaneous Trust Reserves | <u>11,430.46</u> | <u>531,887.34</u> | <u>531,943.94</u> |
| | 14,310.46 | 133,640.98 | 687,666.46 |
| Decreased by Disbursements: | | | |
| Due to State of New Jersey | 1,224.60 | | |
| Animal Control Fund Expenditures | 12,887.98 | | |
| Due Current Fund | 1.46 | 17,184.00 | 51.40 |
| Encumbrances Payable Paid | | | |
| Miscellaneous Trust Reserves | <u>14,114.04</u> | <u>522,066.70</u> | <u>522,118.10</u> |
| Balance December 31, 2021 | \$ <u><u>196.42</u></u> | \$ <u><u>116,456.98</u></u> | \$ <u><u>165,548.36</u></u> |

TOWNSHIP OF ALLOWAY
TRUST FUND
Statement of Trust Cash - Tax Collector
For the Year Ended December 31, 2021

| | | |
|------------------------------------|---------------|----------------------------|
| Balance December 31, 2020 | | \$ 61,167.76 |
| Increased by Receipts: | | |
| Miscellaneous Reserves | \$ 140,480.70 | |
| Interest Earned - Due Current Fund | <u>30.49</u> | |
| | | <u>140,511.19</u> |
| | | 201,678.95 |
| Decreased by Disbursements: | | |
| Miscellaneous Reserves | | <u>137,697.02</u> |
| Balance December 31, 2021 | | <u><u>\$ 63,981.93</u></u> |

TOWNSHIP OF ALLOWAY
TRUST FUND
Statement of Amount Due to Current Fund -- Animal Control Fund
For the Year Ended December 31, 2021

| | |
|--------------------------------|----------------|
| Increased by: | |
| Interest Earned on Investments | \$ 1.46 |
| Decreased by: | |
| Interest Earned Transferred | \$ <u>1.46</u> |

TOWNSHIP OF ALLOWAY
TRUST FUND
Statement of Amount Due to State of New Jersey - Department of Health
For the Year Ended December 31, 2021

| | |
|---------------------------------------|-----------------|
| Increased by: | |
| 2021 State License Fees | \$ 1,254.00 |
| Decreased by: | |
| Due to State of New Jersey - Dog Fund | <u>1,224.60</u> |
| Balance December 31, 2021 | \$ <u>29.40</u> |

TOWNSHIP OF ALLOWAY
TRUST FUND
 Statement of Reserve for Animal Control Fund
 For the Year Ended December 31, 2021

| | | |
|---|-------------|-------------|
| Balance December 31, 2020 | | \$ 2,880.00 |
| Increased by: | | |
| Dog License Fees Collected | \$ 9,875.00 | |
| Late Fees Collected | 300.00 | |
| | | 10,175.00 |
| | | 13,055.00 |
| Decreased by: | | |
| Animal Control Fund Expenditures - Dog Fund | | 12,887.98 |
| Balance December 31, 2021 | | \$ 167.02 |

| <u>License Fees Collected</u> | |
|-------------------------------|--------------|
| Year | Amount |
| 2019 | \$ 10,384.20 |
| 2020 | 12,190.00 |
| | \$ 22,574.20 |

TOWNSHIP OF ALLOWAY
TRUST FUND
Statement of Reserve for Future Use - Municipal Open Space Fund
For the Year Ended December 31, 2021

| | | |
|--|--------------|---------------|
| Balance December 31, 2020 | | \$ 91,424.98 |
| Increased by: | | |
| Amount to be Raised by Taxation | \$ 14,300.88 | |
| Miscellaneous Revenues Not Anticipated | 48.00 | |
| Encumbrances Canceled | 1,486.00 | |
| | | 15,834.88 |
| | | 107,259.86 |
| Decreased by: | | |
| 2021 Budget Appropriations: | | |
| Development of Lands for Recreation & Conversation | | 1,000.00 |
| Balance December 31, 2021 | | \$ 106,259.86 |

TOWNSHIP OF ALLOWAY
TRUST FUND
Statement of Due Current Fund -- Trust Other Fund
For the Year Ended December 31, 2021

| | | |
|--|--------------|-------------------------|
| Balance December 31, 2020 | | \$ 676.13 |
| Increased by: | | |
| Interest Earned on Investments - Treasurer | \$ 56.60 | |
| Interest Earned on Investments - Tax Collector | <u>30.49</u> | |
| | | <u>87.09</u> |
| | | 763.22 |
| Decreased by: | | |
| Disbursed to Current Fund | | <u>51.40</u> |
| Balance December 31, 2021 | | <u><u>\$ 711.82</u></u> |

TOWNSHIP OF ALLOWAY
TRUST - OTHER FUND
 Statement of Miscellaneous Trust Reserves
 For the Year Ended December 31, 2021

| | Balance December 31, 2020 | | Receipts | Disbursements | Year-End Encumbrances | Balance Dec. 31, 2021 |
|-----------------------------|---------------------------|--------------------|----------------------|----------------------|--------------------------|--------------------------|
| | Reserve | Encumbered | | | | |
| Unemployment | \$ 15,819.23 | | \$ 6.19 | | \$ | 15,825.42 |
| Developers' Escrow | 17,714.44 | \$ 4,055.66 | 3,086.49 | 2,682.50 | \$ 4,055.66 | 18,118.43 |
| Bequest | 81,576.49 | | | | | 81,576.49 |
| (Veterans) Donation Account | 1,975.16 | | 310.50 | 204.10 | | 2,081.56 |
| Recreation - Boat Ramp | 21,105.55 | | 4,403.00 | 1,080.00 | | 24,428.55 |
| Storm Recovery | 13,732.78 | | 10,000.00 | 5,627.04 | | 18,105.74 |
| Payroll | 956.80 | | 514,081.16 | 512,473.06 | | 2,564.90 |
| TTL Premium | 59,600.00 | | | 23,000.00 | | 36,600.00 |
| TTL Redemption | 894.98 | | 140,480.70 | 114,697.02 | | 26,678.66 |
| | <u>\$ 213,375.43</u> | <u>\$ 4,055.66</u> | <u>\$ 672,368.04</u> | <u>\$ 659,763.72</u> | <u>\$ 4,055.66</u> | <u>\$ 225,979.75</u> |
| Treasurer | | | \$ 531,887.34 | \$ 522,066.70 | | |
| Tax Collector | | | 140,480.70 | 137,697.02 | | |
| | | | <u>\$ 672,368.04</u> | <u>\$ 659,763.72</u> | | |

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
Statement of General Capital Cash - Chief Financial Officer
For the Year Ended December 31, 2021

| | | |
|--------------------------------|------------------|-----------------------------|
| Balance December 31, 2020 | | \$ 390,219.09 |
| Increased by Receipts: | | |
| Capital Improvement Fund | \$ 90,000.00 | |
| Due Current Fund | <u>152.20</u> | |
| | | <u>90,152.20</u> |
| | | 480,371.29 |
| Decreased by Disbursements: | | |
| Improvement Authorizations | 255,893.81 | |
| Due Current Fund | 150.20 | |
| Due Sewer Utility Capital Fund | <u>20,000.00</u> | |
| | | <u>276,044.01</u> |
| Balance December 31, 2021 | | <u><u>\$ 204,327.28</u></u> |

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2021

| | Balance | | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2021 |
|--|---------------|----|---------------|----------------------------|---------------|---------------|-----------|------------|--------------------------|
| | Dec. 31, 2020 | | Miscellaneous | Improvement Authorizations | Miscellaneous | From | To | | |
| Capital Improvement Fund | \$ 178,770.99 | \$ | 90,000.00 | | | \$ 310,000.00 | | 78,564.77 | \$ 37,335.76 |
| Encumbrances Payable | | | | | | | | 587.26 | 587.26 |
| Due Sewer Utility Capital Fund | 20,000.00 | | | | | | | | |
| Due Current Fund | (2.00) | | 152.20 | | | | | | |
| Fund Balance | 34,207.27 | | | | | | | | 34,207.27 |
| Reserve for: | | | | | | | | | |
| Purchase of an Ambulance | 35,000.00 | | | | | | | | 35,000.00 |
| Alloway Lake Dam | 12,665.56 | | | | | | | | 12,665.56 |
| Purchase of a Generator | 10,000.00 | | | | | | | | 10,000.00 |
| Municipal Drainage Project | 20,000.00 | | | | | | | | 20,000.00 |
| <u>Improvement Authorizations:</u> | | | | | | | | | |
| Ordinance Number | | | | | | | | | |
| 494 | 19,185.85 | | | | | | | | 1,012.50 |
| Improvements to Municipal Roads | | | | | | 18,173.35 | | | |
| 500 | 33,541.45 | | | | | 33,541.45 | | | |
| Improvements to Municipal Roads | | | | | | | | | |
| 504 | 887.88 | | | | | 887.88 | | | |
| Reconstruction of Pierson Road Phase II | | | | | | | | | |
| 505 | 9,860.00 | | | | | 9,860.00 | | | |
| Various Acquisitions | | | | | | | | | |
| 517 | 12,802.09 | | | | | 12,802.09 | | | |
| Improvements to Municipal Roads | | | | | | | | | |
| 521 | 3,300.00 | | | | | 3,300.00 | | | |
| Various Acquisitions | | | | | | | | | |
| 535.1 | | \$ | | 211,943.81 | | | | 265,000.00 | 52,468.93 |
| Improvements to Municipal Roads | | | | 43,950.00 | | | | 45,000.00 | 1,050.00 |
| 535.2 | | | | | | | | | |
| Repair of Municipal Building & Fire House Roof | | | | | | | | | |
| | \$ 390,219.09 | \$ | 90,152.20 | \$ 255,893.81 | \$ | 389,152.03 | \$ | 389,152.03 | \$ 204,327.28 |

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2021

| | |
|--|----------------------|
| Balance December 31, 2020 | \$ 1,107,589.96 |
| Decreased by: | |
| 2021 Budget Appropriation to Pay: | |
| NJ Department of Environmental Protection Loan Payable | <u>161,213.92</u> |
| Balance December 31, 2021 | <u>\$ 946,376.04</u> |

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2021

| | | | |
|-------------------------------|----|--------|-----------|
| Balance December 31, 2020 | | \$ | 2.00 |
| Increased by: | | | |
| Disbursements | | | 150.20 |
| | | | 152.20 |
| Decreased by: | | | |
| Interest Earned | \$ | 150.20 | |
| Prior Year Interfund Received | | 2.00 | |
| | | | \$ 152.20 |

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2021

| | | |
|--|------------------|----------------------------|
| Balance December 31, 2020 | | \$ 178,770.99 |
| Increased by: | | |
| Budget Appropriation | \$ 90,000.00 | |
| Improvement Authorizations Cancelled | <u>78,564.77</u> | |
| | | <u>168,564.77</u> |
| | | 347,335.76 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | | <u>310,000.00</u> |
| Balance December 31, 2021 | | <u><u>\$ 37,335.76</u></u> |

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2021

| Ordinance Number | Improvement Description | Ordinance | | Balance | | 2021 Authorizations | Improvement Authorizations Canceled | Paid or Charged | Year End Encumbrances | Balance | |
|------------------|--|-----------|---------------|----------------------|-----------|---------------------|-------------------------------------|-----------------|-----------------------|----------------------|-----------|
| | | Date | Amount | Dec. 31, 2020 Funded | Funded | | | | | Dec. 31, 2021 Funded | |
| 494 | Improvement to Municipal Roads | 05/18/17 | \$ 120,000.00 | \$ | 19,185.85 | \$ | 18,173.35 | | \$ | | 1,012.50 |
| 500 | Improvement to Municipal Roads | 05/17/18 | 120,000.00 | | 33,541.45 | | 33,541.45 | | | | |
| 504 | Reconstruction of Pierson Road Phase II | 06/21/18 | 135,000.00 | | 887.88 | | 887.88 | | | | |
| 505 | Various Acquisitions | 07/19/18 | 20,000.00 | | 9,860.00 | | 9,860.00 | | | | |
| 517 | Improvement to Municipal Roads | 05/16/19 | 160,000.00 | | 12,802.09 | | 12,802.09 | | | | |
| 521 | Various Acquisitions | 10/17/19 | 23,000.00 | | 3,300.00 | | 3,300.00 | | | | |
| 535.1 | Improvements to Municipal Roads | 05/20/21 | 265,000.00 | \$ | \$ | 265,000.00 | \$ | 211,943.81 | \$ | 587.26 | 52,468.93 |
| 535.2 | Repair of Municipal Building & Fire House Roof | 05/20/21 | 45,000.00 | | | 45,000.00 | | 43,950.00 | | | 1,050.00 |
| | | | | \$ | 79,577.27 | \$ | 310,000.00 | \$ | 78,564.77 | \$ | 587.26 |
| | | | | | | | | | | \$ | 54,531.43 |

TOWNSHIP OF ALLOWAY
GENERAL CAPITAL FUND
 Statement of New Jersey Department of Environmental Protection Loan Payable
 For the Year Ended December 31, 2021

| Purpose | Date of Issue | Amount of Original Issue | Maturities Outstanding | | Interest Rate | Balance Dec. 31, 2020 | Decreased | Balance Dec. 31, 2021 |
|------------------|---------------|--------------------------|------------------------|--------------|-----------------|-----------------------|---------------|-----------------------|
| | | | Date | Amount | | | | |
| Alloway Lake Dam | 12/8/2009 | \$ 2,684,468.94 | 6/10/2022 | \$ 81,818.07 | 2.00% | | | |
| | | | 12/10/2022 | 82,636.25 | | | | |
| | | | 6/10/2023 | 83,462.61 | | | | |
| | | | 12/10/2023 | 84,297.24 | | | | |
| | | | 6/10/2024 | 85,140.21 | | | | |
| | | | 12/10/2024 | 85,991.61 | | | | |
| | | | 6/10/2025 | 86,851.53 | | | | |
| | | | 12/10/2025 | 87,720.04 | | | | |
| | | | 6/10/2026 | 88,597.24 | | | | |
| | | | 12/10/2026 | 89,483.22 | | | | |
| | | 6/10/2027 | 90,378.02 | | \$ 1,107,589.96 | \$ 161,213.92 | \$ 946,376.04 | |

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF ALLOWAY
SEWER UTILITY FUND
Statement of Sewer Utility Cash - Chief Financial Officer
For the Year Ended December 31, 2021

| | <u>Operating</u> | <u>Capital</u> |
|-------------------------------------|----------------------|----------------------|
| Balance December 31, 2020 | \$ 430,920.71 | \$ 148,903.02 |
| Increased by Receipts: | | |
| Sewer Collector | \$ 340,191.77 | |
| Interest Earned | 254.97 | |
| Excess Bond Issue Proceeds | | \$ 8,195.95 |
| Due General Capital Fund | | 20,000.00 |
| Due Utility Operating Fund | | 20,060.89 |
| American Rescue Plan Grant Proceeds | 4,463.38 | 100,000.00 |
| | <u>344,910.12</u> | <u>148,256.84</u> |
| | 775,830.83 | 297,159.86 |
| Decreased by Disbursements: | | |
| 2021 Appropriations | 236,769.79 | |
| 2020 Appropriation Reserves | 5,376.65 | |
| Accrued Interest on Bonds and Notes | 57,322.11 | |
| Due Utility Capital Fund | 20,000.00 | |
| Due Utility Operating Fund | | 60.89 |
| Improvement Authorizations | | 12,215.00 |
| | <u>319,468.55</u> | <u>12,275.89</u> |
| Balance December 31, 2021 | <u>\$ 456,362.28</u> | <u>\$ 284,883.97</u> |

TOWNSHIP OF ALLOWAY
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash -- Sewer Collector
For the Year Ended December 31, 2021

| | | | |
|-------------------------------------|----|------------|------------|
| Balance December 31, 2020 | | \$ | 67,825.16 |
| Increased by: | | | |
| Sewer Rents Receivable | \$ | 318,268.46 | |
| Sewer Rent Overpayments | | 2,415.18 | |
| Miscellaneous Revenues | | 5,062.09 | |
| | | | 325,745.73 |
| | | | 393,570.89 |
| Decreased by: | | | |
| Payments to Chief Financial Officer | | | 340,191.77 |
| Balance December 31, 2021 | | \$ | 53,379.12 |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
Analysis of Sewer Utility Capital Cash
For the Year Ended December 31, 2021

| | Receipts | | Disbursements | | Balance Dec. 31, 2021 |
|--------------------------------------|--------------------------|---------------|-------------------------------|---------------|--------------------------|
| | Balance Dec. 31, 2020 | Miscellaneous | Improvement Authorizations | Miscellaneous | |
| Fund Balance | \$ 67,105.02 | \$ 8,195.95 | \$ | | 75,300.97 |
| Capital Improvement Fund | 121,800.00 | | | | 121,800.00 |
| Due Bank | (2.00) | | | | (2.00) |
| Due from General Capital Fund | (20,000.00) | 20,000.00 | | | |
| Due from Utility Operating Fund | (20,000.00) | 20,060.89 | \$ 60.89 | | |
| <u>Improvement Authorizations:</u> | | | | | |
| 537 Sewer Infrastructure Improvement | | 100,000.00 | 12,215.00 | | 87,785.00 |
| | \$ 148,903.02 | \$ 148,256.84 | \$ 12,215.00 | \$ 60.89 | \$ 284,883.97 |

TOWNSHIP OF ALLOWAY
SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2021

| | | |
|---------------------------------|-----------------|----------------------------|
| Balance December 31, 2020 | | \$ 40,613.91 |
| Increased by: | | |
| Sewer Rents Levied | | <u>330,503.25</u> |
| | | 371,117.16 |
| Decreased by: | | |
| Collections | \$ 318,268.46 | |
| Overpayments Applied | <u>4,988.65</u> | |
| | \$ 323,257.11 | |
| Cancelled | | 3,507.36 |
| Transferred to Liens Receivable | | <u>2,745.75</u> |
| | | <u>329,510.22</u> |
| Balance December 31, 2021 | | <u><u>\$ 41,606.94</u></u> |

TOWNSHIP OF ALLOWAY
SEWER UTILITY OPERATING FUND
Statement of Utility Liens Receivable
For the Year Ended December 31, 2021

| | |
|---|----------------------------|
| Balance December 31, 2020 | \$ 24,817.69 |
| Increased by: | |
| Transferred from Consumer Accounts Receivable | <u>2,745.75</u> |
| | 27,563.44 |
| Decreased by: | |
| Due from Current Fund | <u>7,328.86</u> |
| Balance December 31, 2021 | <u><u>\$ 20,234.58</u></u> |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2021

| | Balance Dec. 31, 2021 |
|--|--------------------------|
| Sewer System: | |
| Sanitary Sewer Station and Accessories | \$ <u>6,953,123.33</u> |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2021

| Ord. No. | Improvement Description | Date | Amount | Additions by Ordinance | Balance Dec. 31, 2021 |
|-------------|----------------------------------|---------|---------------|---------------------------|--------------------------|
| 537 | Sewer Infrastructure Improvement | 9/16/21 | \$ 100,000.00 | \$ <u>100,000.00</u> | \$ <u>100,000.00</u> |

TOWNSHIP OF ALLOWAY
SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2021

| | Balance Dec. 31, 2020 <u>Reserved</u> | Balance After Transfers | Disbursed | Balance Lapsed |
|--|---|----------------------------|--------------------|--------------------|
| Operating: | | | | |
| Salaries and Wages | \$ 474.12 | \$ 474.12 | | \$ 474.12 |
| Other Expenses | 5,917.72 | 5,917.72 | \$ 5,376.65 | 541.07 |
| Statutory Expenditures: | | | | |
| Contribution to: | | | | |
| Defined Contribution Retirement System | 25.00 | 25.00 | | 25.00 |
| Social Security System | 625.91 | 625.91 | | 625.91 |
| State Disability Insurance | 41.91 | 41.91 | | 41.91 |
| | <u>\$ 7,084.66</u> | <u>\$ 7,084.66</u> | <u>\$ 5,376.65</u> | <u>\$ 1,708.01</u> |

TOWNSHIP OF ALLOWAY
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Loans and Analysis of Balance
For the Year Ended December 31, 2021

| | | |
|----------------------------------|----|-----------|
| Balance December 31, 2020 | \$ | 7,586.93 |
| Increased by: | | |
| Budget Appropriation: | | |
| Interest on Bonds and Loans | | 57,696.82 |
| | | 65,283.75 |
| Decreased by: | | |
| Interest Paid on Bonds and Loans | | 57,322.11 |
| Balance December 31, 2021 | \$ | 7,961.64 |

Analysis of Accrued Interest December 31, 2021:

| Principal Outstanding Dec. 31, 2021 | Interest Rate | From | To | Period | Amount |
|---|------------------|---------|----------|---------|-------------|
| <u>Serial Bonds:</u> | | | | | |
| \$ 1,765,000.00 | 4.00% | 12/1/21 | 12/31/21 | 30 days | \$ 5,883.33 |
| <u>USDA Loans:</u> | | | | | |
| \$ 300,475.78 | 3.25% | 10/7/21 | 12/31/21 | 83 days | 2,078.31 |
| | | | | | \$ 7,961.64 |

TOWNSHIP OF ALLOWAY
SEWER UTILITY OPERATING FUND
Statement of Utility Rent Overpayments
For the Year Ended December 31, 2021

| | | |
|------------------------------------|----|----------|
| Balance December 31, 2020 | \$ | 4,988.65 |
| Increased by: | | |
| Overpayments Created | | 2,415.18 |
| | | 7,403.83 |
| Decreased by: | | |
| Overpayments Applied - Sewer Rents | | 4,988.65 |
| Balance December 31, 2021 | \$ | 2,415.18 |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
Statement of Due Utility Operating Fund
For the Year Ended December 31, 2021

| | | |
|---------------------------|-----------|--------------|
| Balance December 31, 2020 | | \$ 20,000.00 |
| Increased by: | | |
| Interest Transferred | | 60.89 |
| | | 20,060.89 |
| Decreased by: | | |
| Interest Earned | \$ 60.89 | |
| Interfund Received | 20,000.00 | |
| | | 20,060.89 |

Exhibit SD-12

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2021

| | | |
|-----------------------------------|--------------|-----------------|
| Balance December 31, 2020 | | \$ 4,643,293.76 |
| Increased by: | | |
| 2021 Budget Appropriation to Pay: | | |
| Sewer Serial Bonds | \$ 35,000.00 | |
| USDA Sewer Loans | 24,294.89 | |
| Loans Defeased | 1,985,058.90 | |
| | | 2,044,353.79 |
| | | 6,687,647.55 |
| Decreased by: | | |
| Refunding Bonds Issued | | 1,800,000.00 |
| Balance December 31, 2021 | | \$ 4,887,647.55 |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2021

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Ordinance Date</u> | <u>Fixed Capital Authorized</u> | <u>Balance Dec. 31, 2021</u> |
|-----------------------------|----------------------------------|---------------------------|---|----------------------------------|
| 537 | Sewer Infrastructure Improvement | 9/16/21 | \$ <u>100,000.00</u> | \$ <u>100,000.00</u> |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2021

| Ord. No. | Improvement Description | Date | Amount | 2021 Authorizations | Paid or Charged | Balance Dec. 31, 2021 Funded |
|-------------|----------------------------------|---------|---------------|------------------------|--------------------|------------------------------------|
| 537 | Sewer Infrastructure Improvement | 9/16/21 | \$ 100,000.00 | \$ 100,000.00 | \$ 12,215.00 | \$ 87,785.00 |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
 Statement of Sewer Serial Bonds
 For the Year Ended December 31, 2021

| Improvement Description | Date of Issue | Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Issued | Decreased | Balance Dec. 31, 2021 |
|-------------------------|---------------|-----------------|---------------------------------|--------------|---------------|-----------------|--------------|-----------------------|
| | | | Date | Amount | | | | |
| Utility Refunding Bonds | 11/3/21 | \$ 1,800,000.00 | 12/1/22 | \$ 35,000.00 | 4.000% | | | |
| | | | 12/1/23 | 35,000.00 | 4.000% | | | |
| | | | 12/1/24 | 40,000.00 | 4.000% | | | |
| | | | 12/1/25 | 40,000.00 | 4.000% | | | |
| | | | 12/1/26 | 40,000.00 | 4.000% | | | |
| | | | 12/1/27 | 45,000.00 | 4.000% | | | |
| | | | 12/1/28 | 45,000.00 | 4.000% | | | |
| | | | 12/1/29 | 45,000.00 | 4.000% | | | |
| | | | 12/1/30 | 50,000.00 | 4.000% | | | |
| | | | 12/1/31 | 50,000.00 | 4.000% | | | |
| | | | 12/1/32 | 50,000.00 | 4.000% | | | |
| | | | 12/1/33 | 55,000.00 | 4.000% | | | |
| | | | 12/1/34 | 55,000.00 | 4.000% | | | |
| | | | 12/1/35 | 60,000.00 | 4.000% | | | |
| | | | 12/1/36 | 60,000.00 | 4.000% | | | |
| | | | 12/1/37 | 65,000.00 | 4.000% | | | |
| | | | 12/1/38 | 65,000.00 | 4.000% | | | |
| | | | 12/1/39 | 70,000.00 | 4.000% | | | |
| | | | 12/1/40 | 70,000.00 | 4.000% | | | |
| | | 12/1/41 | 75,000.00 | 4.000% | | | | |
| | | 12/1/42 | 80,000.00 | 4.000% | | | | |
| | | 12/1/43 | 80,000.00 | 4.000% | | | | |
| | | 12/1/44 | 85,000.00 | 4.000% | | | | |
| | | 12/1/45 | 85,000.00 | 4.000% | | | | |
| | | 12/1/46 | 90,000.00 | 4.000% | | | | |
| | | 12/1/47 | 95,000.00 | 4.000% | | | | |
| | | 12/1/48 | 100,000.00 | 4.000% | | | | |
| | | 12/1/49 | 100,000.00 | 4.000% | | | | |
| | | | | | | \$ 1,800,000.00 | \$ 35,000.00 | \$ 1,765,000.00 |

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
 Statement of USDA Sewer Loans Payable
 For the Year Ended December 31, 2021

| Improvement Description | Date of Issue | Original Issue | Maturities of Bonds | | | | Balance Dec. 31, 2020 | Decreased | Balance Dec. 31, 2021 |
|----------------------------------|---------------|-----------------|---------------------|-------------------------------|--------|---------------|-----------------------|-----------|-----------------------|
| | | | Date | Outstanding December 31, 2021 | Amount | Interest Rate | | | |
| Construction of a Sanitary Sewer | 12/8/2009 | \$ 1,095,000.00 | | | | \$ 947,666.53 | \$ 947,666.53 | | |
| Construction of a Sanitary Sewer | 12/8/2009 | 1,219,300.00 | | | | 1,055,256.65 | 1,055,256.65 | | |
| Construction of a Sanitary Sewer | 10/7/2010 | 361,700.00 | 2022 | \$ 6,624.98 | 3.25% | | | | |
| | | | 2023 | 6,825.23 | 3.25% | | | | |
| | | | 2024 | 7,031.52 | 3.25% | | | | |
| | | | 2025 | 7,244.04 | 3.25% | | | | |
| | | | 2026 | 7,462.99 | 3.25% | | | | |
| | | | 2027 | 7,688.56 | 3.25% | | | | |
| | | | 2028 | 7,920.95 | 3.25% | | | | |
| | | | 2029 | 8,160.36 | 3.25% | | | | |
| | | | 2030 | 8,407.00 | 3.25% | | | | |
| | | | 2031 | 8,661.11 | 3.25% | | | | |
| | | | 2032 | 8,922.89 | 3.25% | | | | |
| | | | 2033 | 9,192.59 | 3.25% | | | | |
| | | | 2034 | 9,470.43 | 3.25% | | | | |
| | | | 2035 | 9,756.67 | 3.25% | | | | |
| | | | 2036 | 10,051.57 | 3.25% | | | | |
| | | | 2037 | 10,355.38 | 3.25% | | | | |
| | | | 2038 | 10,668.37 | 3.25% | | | | |
| | | | 2039 | 10,990.82 | 3.25% | | | | |
| | | | 2040 | 11,323.01 | 3.25% | | | | |
| | | | 2041 | 11,665.26 | 3.25% | | | | |
| | | | 2042 | 12,017.84 | 3.25% | | | | |
| | | | 2043 | 12,381.08 | 3.25% | | | | |
| | | | 2044 | 12,755.29 | 3.25% | | | | |
| | | | 2045 | 13,140.82 | 3.25% | | | | |
| | | | 2046 | 13,538.00 | 3.25% | | | | |
| | | | 2047 | 13,947.19 | 3.25% | | | | |

(Continued)

TOWNSHIP OF ALLOWAY
SEWER UTILITY CAPITAL FUND
 Statement of USDA Sewer Loans Payable
 For the Year Ended December 31, 2021

| Improvement Description | Date of Issue | Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2020 | Decreased | Balance Dec. 31, 2021 |
|----------------------------------|---------------|----------------|---------------------------------|--------------|---------------|-----------------------|-----------------|-----------------------|
| | | | Date | Amount | | | | |
| Construction of a Sanitary Sewer | 10/7/2010 | \$ 361,700.00 | 2048 | \$ 14,368.75 | 3.25% | | | |
| | | | 2049 | 14,803.04 | 3.25% | | | |
| | | | 2050 | 15,100.04 | 3.25% | \$ 306,906.39 | \$ 6,430.61 | \$ 300,475.78 |
| | | | | | | \$ 2,309,829.57 | \$ 2,009,353.79 | \$ 300,475.78 |
| | | | | | | | \$ 24,294.89 | |
| | | | | | | | 1,985,058.90 | |
| | | | | | | | \$ 2,009,353.79 | |

Reserve for Amortization
 Loans Defeased

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF ALLOWAY
Schedule of Findings and Recommendations
For the Year Ended December 31, 2021

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.

No Current Year Findings

TOWNSHIP OF ALLOWAY
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*.

No Prior Year Findings

TOWNSHIP OF ALLOWAY
 Officials in Office and Surety Bonds

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

| <u>Name</u> | <u>Title</u> | <u>Amount of Surety Bond</u> |
|--------------------------|---------------------------------|----------------------------------|
| P. Ed McKelvey | Mayor | |
| K. Myrle Patrick | Deputy Mayor | |
| Warren Morgan, III | Committeeman | |
| Elizabeth Pigliacelli | Chief Municipal Finance Officer | (1) |
| Michelle Allen | Tax and Utility Collector | (1) |
| Charlet Cheeseman | Municipal Clerk / Registrar | (1) |
| Niki Arbittier, Esq. | Solicitor | |
| Fralinger Engineering PA | Engineer | |

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

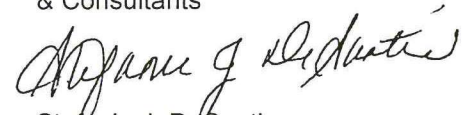
APPRECIATION

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



Stefanie J. DeSantis
Certified Public Accountant
Registered Municipal Accountant

