

*TOWNSHIP OF WEST AMWELL*

*COUNTY OF HUNTERDON*

*REPORT OF AUDIT*

*2021*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF WEST AMWELL

COUNTY OF HUNTERDON

REPORT OF AUDIT

2021

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TOWNSHIP OF WEST AMWELL

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2021

## Independent Auditors' Report

The Honorable Mayor and Members  
of the Township Committee  
Township of West Amwell  
West Amwell, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Township of West Amwell, in the County of Hunterdon (the "Township") as of and for the year ended December 31, 2021, and the related notes to the 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 financial position of each fund and account group of the Township as of December 31, 2021, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the year then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2021, or the changes in financial position thereof for the year then ended.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United State of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The Honorable Mayor and Members  
of the Township Committee  
Township of West Amwell  
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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 Matters***

The financial statements of the Township of West Amwell as of December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on May 15, 2021.

### ***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 (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's 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 GAAS, *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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, 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.
- 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.

The Honorable Mayor and Members  
of the Township Council  
Township of West Amwell  
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### ***Supplementary Information***

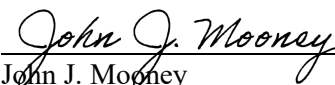
Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the 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 various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group 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 April 29, 2022 on our consideration of the Township'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'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's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
April 29, 2022

  
NISIVOC CIA LLP

  
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John J. Mooney  
Certified Public Accountant  
Registered Municipal Accountant No. 560



TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
CURRENT FUND

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$ 788,091.41	\$ 678,595.35
Change Fund		250.00	250.00
		<u>788,341.41</u>	<u>678,845.35</u>
Receivables and Other Assets With			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	202,017.01	208,782.06
Tax Title Liens Receivable	A-8	37,835.82	103,745.60
Property Acquired for Taxes at Assessed Valuation		67,495.00	3,150.00
Revenue Accounts Receivable	A-9	4,967.63	5,298.98
Due Animal Control Fund	B	4.38	
Due from Other Trust Fund - Open Space	B	99,561.55	1,790.70
Due General Capital Fund	C	112,772.67	
Total Receivables and Other Assets		<u>524,654.06</u>	<u>322,767.34</u>
With Full Reserves			
		<u>524,654.06</u>	<u>322,767.34</u>
Total Regular Fund		<u>1,312,995.47</u>	<u>1,001,612.69</u>
Federal and State Grant Fund:			
Cash	A-6	32,106.73	43,860.58
Federal and State Grants Receivable	A-12	304,544.10	238,511.90
Due from Current Fund	A	275,041.71	
Total Federal and State Grant Fund		<u>611,692.54</u>	<u>282,372.48</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,924,688.01</u>	<u>\$ 1,283,985.17</u>

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-10	\$ 111,560.02	\$ 123,664.52
Encumbered	A-3;A-10	21,540.83	7,991.36
Total Appropriation Reserves		133,100.85	131,655.88
Prepaid Taxes		116,403.64	128,809.57
Tax Overpayments		3,109.11	
County Taxes Payable		2,652.99	1,221.27
Due to Federal and State Grant Fund	A	275,041.71	
Due to Other Trust Fund	B	129.98	
Accounts Payable - Vendors		6,000.00	
Due to State of New Jersey:			
Senior Citizens' and Veteran's Deductions		590.00	1,840.00
Marriage License Fees			50.00
Construction Code Surcharge Fees			3,052.00
Reserve for Sale of Municipal Assets			23,066.00
Reserve for Watershed Moratorium Aid		21,620.00	21,620.00
		558,648.28	311,314.72
Reserve for Receivables and Other			
Assets	A	524,654.06	322,767.34
Fund Balance	A-1	229,693.13	367,530.63
Total Regular Fund		1,312,995.47	1,001,612.69
Federal and State Grant Fund:			
Appropriated Reserves	A-13	582,274.30	282,372.48
Unappropriated Reserves	A-14	29,418.24	
Total Federal and State Grant Fund		611,692.54	282,372.48
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,924,688.01</u>	<u>\$ 1,283,985.17</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Year Ended December 31,	
<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 175,000.00	\$ 95,059.00
Miscellaneous Revenue Anticipated	2,287,718.20	1,991,240.00
Receipts from:		
Delinquent Taxes	222,948.15	283,156.00
Current Taxes	12,532,652.79	12,164,851.00
Nonbudget Revenue	72,503.20	33,653.00
Other Credits to Income:		
Interfunds Returned	1,790.70	
Unexpended Balance of Appropriation Reserves	58,613.37	102,824.00
Total Income	<u>15,351,226.41</u>	<u>14,670,783.00</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	4,212,476.58	3,802,795.91
County Taxes	2,049,797.29	1,941,643.00
County Share of Added Taxes	2,652.99	1,221.00
Regional School District Taxes	8,493,006.00	8,385,000.00
Municipal Open Space Levy	343,792.45	326,422.00
Refund of Prior Year Revenue		75.00
Interfunds Advanced	<u>212,338.60</u>	
Total Expenditures	<u>15,314,063.91</u>	<u>14,457,156.91</u>
Excess in Revenue	37,162.50	213,626.09
<u>Fund Balance</u>		
Balance January 1	<u>367,530.63</u>	<u>248,963.54</u>
	404,693.13	462,589.63
Decreased by:		
Utilized as Anticipated Revenue	<u>175,000.00</u>	<u>95,059.00</u>
Balance December 31	A <u>\$ 229,693.13</u>	<u>\$ 367,530.63</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 175,000.00		\$ 175,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	2,500.00		2,500.00	
Fees and Permits	82,000.00		89,631.13	\$ 7,631.13
Fines and Costs:				
Municipal Court	67,000.00		82,514.69	15,514.69
Interest and Costs on Taxes	55,000.00		90,574.78	35,574.78
Interest on Investments and Deposits	7,000.00		1,083.37	5,916.63 *
Consolidated Municipal Property Tax Relief	164,024.00		164,024.00	
Energy Receipts Tax	743,105.00		743,105.00	
Garden State Trust Fund	36,752.00		56,596.00	19,844.00
Watershed Moritorium Offset Aid	21,620.00		21,620.00	
Uniform Construction Code Fees	225,000.00		224,128.21	871.79 *
South Hunterdon Regional School District				
Special Police Officers Security	94,000.00		69,921.42	24,078.58 *
Clean Communities Grant		\$ 12,530.20	12,530.20	
City of Somerset - Cellphone Grant		3,600.00	3,600.00	
Body Worn Cameras Grant		28,532.00	28,532.00	
New Jersey Department of Transportation Grant		150,000.00	150,000.00	
American Rescue Plan Grant		143,343.58	143,343.58	
Uniform Fire Safety Act	5,000.00		6,134.56	1,134.56
Open Space Trust Fund - Debt Service	257,455.00		257,455.00	
Reserve for Sale of Assets	23,066.00		23,066.00	
Solar Installation - Site Lease Agreement	25,000.00		26,375.04	1,375.04
Open Space Maintenance Program Distribution	31,500.00		31,500.00	
Reserve to Pay Debt Service	9,483.22		9,483.22	
General Capital Fund Balance	50,000.00		50,000.00	
	<u>1,899,505.22</u>	<u>338,005.78</u>	<u>2,287,718.20</u>	<u>111,941.20</u>
Receipts from Delinquent Taxes	<u>205,000.00</u>		<u>222,948.15</u>	<u>17,948.15</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	1,845,043.78		1,893,404.06	48,360.28
Total Municipal Budget	<u>1,845,043.78</u>		<u>1,893,404.06</u>	<u>48,360.28</u>
Budget Totals	<u>4,124,549.00</u>	<u>338,005.78</u>	<u>4,579,070.41</u>	<u>178,249.63</u>
Nonbudget Revenue			<u>72,503.20</u>	<u>72,503.20</u>
	<u>\$ 4,124,549.00</u>	<u>\$ 338,005.78</u>	<u>\$ 4,651,573.61</u>	<u>\$ 250,752.83</u>

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Allocation of Current Tax Collections

Revenue from Collection of Current Taxes		\$ 12,532,652.79
Allocated to Municipal Open Space Tax Levy	\$ 343,792.45	
Allocated to County and School Taxes	10,545,456.28	10,889,248.73
Balance for Support of Municipal Budget		1,643,404.06
Add: Appropriation - Reserve for Uncollected Taxes		250,000.00
Realized for Support of Municipal Budget		\$ 1,893,404.06

Analysis of Delinquent Tax Collections:

Receipts from Delinquent Taxes:

Delinquent Taxes	\$ 206,868.86
Tax Title Lien Collections	16,079.29
	\$ 222,948.15

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cable TV Franchise Fee	\$ 8,920.12	
Senior Citizens and Veterans		
Deductions Administration Fee	441.66	
FEMA Reimbursement - COVID 19	6,902.67	
Other Miscellaneous Revenues	53,215.24	
		\$ 69,479.69
Tax Collector Miscellaneous Revenue		3,023.51
		\$ 72,503.20

Analysis of Interest Earned:

Earned in Current Fund	\$ 636.16
Due from Federal and State Grant Fund	43.79
Due From Animal Control Fund	4.38
Due From Other Trust Fund	126.37
Due From General Capital Fund	272.67
	\$ 1,083.37

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations - Within "CAPS"					
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 43,650.00	\$ 39,650.00	\$ 39,274.45	\$ 375.55	
Other Expenses	33,000.00	46,000.00	44,480.91	1,519.09	
Mayor and Council:					
Salaries & Wages	16,600.00	16,600.00	16,585.03	14.97	
Other Expenses	200.00	200.00		200.00	
Municipal Clerk:					
Salaries & Wages	80,300.00	80,900.00	80,831.53	68.47	
Other Expenses	24,500.00	11,350.00	4,484.44	6,865.56	
Financial Administration:					
Salaries & Wages	70,100.00	68,600.00	68,249.63	350.37	
Other Expenses	6,000.00	6,000.00	5,659.34	340.66	
Audit Services	23,500.00	23,500.00	21,576.00	1,924.00	
Collection of Taxes:					
Salaries & Wages	20,100.00	20,200.00	20,139.84	60.16	
Other Expenses	15,000.00	15,000.00	10,097.36	4,902.64	
Assessment of Taxes:					
Salaries & Wages	39,750.00	39,750.00	39,689.38	60.62	
Other Expenses	7,000.00	7,000.00	5,863.18	1,136.82	
Legal Services and Costs:					
Other Expenses	55,000.00	55,000.00	44,311.76	10,688.24	
Prosecutor Contracted	18,750.00	18,050.00	14,755.51	3,294.49	
Engineering Services and Costs:					
Other Expenses	8,000.00	8,000.00	6,280.00	1,720.00	
Historical Sites Office:					
Other Expenses	50.00	50.00	50.00		
Agriculture Advisory Committee:					
Other Expenses	500.00	500.00		500.00	

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations - Within "CAPS"					
LAND USE ADMINISTRATION:					
Municipal Land Use Law (N.J.S.A. 40:55d-1):					
Planning Board:					
Salaries & Wages	\$ 16,995.00	\$ 17,195.00	\$ 17,129.91	\$ 65.09	
Other Expenses	70,000.00	70,000.00	52,053.89	17,946.11	
Zoning Board of Adjustment:					
Salaries & Wages	8,100.00	8,100.00	8,060.28	39.72	
Other Expenses	1,500.00	1,500.00	1,412.77	87.23	
Zoning Officer:					
Salaries & Wages	8,965.00	8,965.00	8,965.00		
Other Expenses	750.00	750.00	750.00		
INSURANCE:					
General Liability	86,100.00	86,100.00	81,482.23	4,617.77	
Workers Compensation	43,300.00	43,300.00	43,277.52	22.48	
Employee Group Health	255,000.00	255,000.00	246,476.41	8,523.59	
PUBLIC SAFETY:					
Police:					
Salaries & Wages	583,300.00	678,300.00	674,898.11	3,401.89	
Other Expenses	79,000.00	41,100.00	28,992.84	12,107.16	
Emergency Management System:					
Other Expenses	1,200.00	1,200.00	1,038.98	161.02	
Aid to Volunteer Fire Companies	33,825.00	33,825.00	33,825.00		
Contribution to First Aid Organizations	9,500.00	9,500.00	9,500.00		
Bureau of Fire Prevention:					
Salaries & Wages	6,600.00	6,600.00	6,587.88	12.12	
Other Expenses	750.00	750.00		750.00	
Municipal Court:					
Salaries & Wages	91,500.00	86,000.00	85,490.56	509.44	
Other Expenses	14,000.00	4,000.00	1,560.64	2,439.36	
Public Defender:					
Other Expenses	3,000.00	5,000.00	4,800.00	200.00	



TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations - Within "CAPS"					
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries & Wages	\$ 305,500.00	\$ 305,500.00	\$ 299,627.28	\$ 5,872.72	
Other Expenses	135,000.00	122,000.00	120,078.42	1,921.58	
Building and Grounds:					
Salaries & Wages	41,150.00	32,650.00	31,591.82	1,058.18	
Other Expenses	55,000.00	33,000.00	30,217.82	2,782.18	
Stormwater Permit - Other Expense	500.00	500.00	500.00		
Vehicle Maintenance:					
Other Expenses	50,000.00	59,000.00	57,626.67	1,373.33	
Streets and Roads:					
Other Expense - Road Maintenance	95,000.00	111,000.00	110,707.96	292.04	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries & Wages	3,920.00	3,920.00	3,908.86	11.14	
Other Expenses	11,000.00	9,000.00	8,460.96	539.04	
Environmental Health Services:					
Other Expenses	650.00	650.00	16.81	633.19	
Solid Waste Collection:					
Salaries & Wages	17,700.00	26,700.00	25,497.72	1,202.28	
Other Expenses	60,000.00	60,000.00	58,700.90	1,299.10	
Social Services Agencies:					
Other Expenses	2,500.00	2,500.00	2,500.00		
Animal Control:					
Other Expenses	5,000.00				
PARKS AND RECREATION FUNCTIONS:					
Recreation Services Programs:					
Other Expenses	5,000.00				
UNCLASSIFIED					
Celebration of Public Events:					
Other Expenses	750.00	750.00		750.00	

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations - Within "CAPS" (continued)					
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	\$ 16,000.00	\$ 18,300.00	\$ 17,842.88	\$ 457.12	
Telephone	22,000.00	29,500.00	29,431.21	68.79	
Water	3,800.00	3,950.00	3,928.32	21.68	
Fuel Oil	10,000.00	10,000.00	8,036.15	1,963.85	
Gasoline	38,000.00	39,500.00	39,235.45	264.55	
Recycling Surcharge	1,000.00	1,000.00		1,000.00	
Street Lighting	4,200.00	4,200.00	4,011.96	188.04	
STATE UNIFORM CONSTRUCTION CODE					
Construction Code Official:					
Salaries & Wages	173,400.00	163,400.00	162,327.44	1,072.56	
Other Expenses	11,000.00	11,000.00	10,772.84	227.16	
Total Operations within "CAPS"	2,843,455.00	2,861,555.00	2,753,651.85	107,903.15	
Detail:					
Salaries & Wages	1,541,480.00	1,616,415.00	1,592,609.66	23,805.34	
Other Expenses	1,301,975.00	1,245,140.00	1,161,042.19	84,097.81	
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees Retirement System	97,120.00	97,120.00	97,120.00		
Social Security (O.A.S.I)	126,225.00	129,125.00	129,065.98	59.02	
Police and Firemen's Retirement System of New Jersey	161,668.00	161,668.00	161,668.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	385,013.00	387,913.00	387,853.98	59.02	

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations for Municipal Purposes Within "CAPS"	\$ 3,228,468.00	\$ 3,249,468.00	\$ 3,141,505.83	\$ 107,962.17	
Operations - Excluded from "CAPS"					
Affordable Housing:					
Salaries and Wages	6,320.00	6,320.00	6,318.87	1.13	
Other Expenses	850.00	2,850.00	2,478.54	371.46	
LOSAP Contribution	15,000.00	15,000.00	15,000.00		
South Hunterdon School District - Special Police Officers Security	94,000.00	71,000.00	67,774.74	3,225.26	
Total Other Operations - Excluded from "CAPS"	116,170.00	95,170.00	91,572.15	3,597.85	
Public and Private Programs Offset by Revenue:					
Body Worn Cameras Grant (N.J.S.A. 40A:4-87 + \$28,532.00)		28,532.00	28,532.00		
Clean Communities Grant (N.J.S.A. 40A:4-87 + \$12,530.20)		12,530.20	12,530.20		
City of Somerset - Cell Phone Grant (N.J.S.A. 40A:4-87 + \$3,600.00)		3,600.00	3,600.00		
New Jersey Department of Transportation Grant (N.J.S.A. 40A:4-87 + \$150,000.00)		150,000.00	150,000.00		
American Rescue Plan Grant (N.J.S.A. 40A:4-87 + \$143,343.58)		143,343.58	143,343.58		
Total Public and Private Programs Offset by Revenues		338,005.78	338,005.78		
Total Operations - Excluded from "CAPS"	116,170.00	433,175.78	429,577.93	3,597.85	

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations - Excluded from "CAPS" (continued):					
Detail:					
Salaries & Wages	\$ 6,320.00	\$ 6,320.00	\$ 6,318.87	\$ 1.13	
Other Expenses	109,850.00	426,855.78	423,259.06	3,596.72	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Total Capital Improvements Excluded from "CAPS"	15,000.00	15,000.00	15,000.00		
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	395,000.00	395,000.00	395,000.00		\$ 77.98
Interest on Bonds	104,365.00	104,365.00	104,287.02		0.22
Green Acres Loan Repayments for Principal and Interest	15,546.00	15,546.00	15,545.78		
Total Municipal Debt Service - Excluded from "CAPS"	514,911.00	514,911.00	514,832.80		78.20
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	646,081.00	963,086.78	959,410.73	3,597.85	78.20
Total General Appropriations - Excluded from "CAPS"	646,081.00	963,086.78	959,410.73	3,597.85	78.20
Subtotal General Appropriations Reserve for Uncollected Taxes	3,874,549.00	4,212,554.78	4,100,916.56	111,560.02	78.20
	250,000.00	250,000.00	250,000.00		
Total General Appropriations	\$ 4,124,549.00	\$ 4,462,554.78	\$ 4,350,916.56	\$ 111,560.02	\$ 78.20

Ref.

A

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 4,124,549.00	
Added by N.J.S.A. 40A:4-87		<u>338,005.78</u>	
		<u>\$ 4,462,554.78</u>	
Reserve for Uncollected Taxes			\$ 250,000.00
Encumbrances	A		21,540.83
Due to Federal and State Grant Fund			338,005.78
Due to General Capital Fund - Capital Improvement Fund			15,000.00
Cash Disbursed			<u>3,754,826.48</u>
			4,379,373.09
Less: Appropriation Refunds			<u>28,456.53</u>
			<u>\$ 4,350,916.56</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
TRUST FUNDS

TOWNSHIP OF WEST AMWELL  
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 1,077.89	\$ 4,461.43
		<u>1,077.89</u>	<u>4,461.43</u>
Open Space Trust Fund:			
Cash and Cash Equivalents	B-4	<u>186,916.99</u>	<u>145,324.57</u>
		<u>186,916.99</u>	<u>145,324.57</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	245,875.30	243,631.33
Due From Current Fund	A	<u>129.98</u>	<u></u>
		<u>246,005.28</u>	<u>243,631.33</u>
<u>TOTAL ASSETS</u>		<u>\$ 434,000.16</u>	<u>\$ 393,417.33</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 4.38	
Reserve for Animal Control Fund Expenditures	B-5	<u>1,073.51</u>	<u>\$ 4,461.43</u>
		<u>1,077.89</u>	<u>4,461.43</u>
Open Space Trust Fund:			
Due to Current Fund Fund	C	99,561.55	
Reserve for Open Space		<u>87,355.44</u>	<u>145,324.57</u>
		<u>186,916.99</u>	<u>145,324.57</u>
Other Trust Funds:			
Due to Current Fund	A		1,790.70
Reserve for:			
Developer's Escrow		53,857.97	54,119.69
Parking Offenses Adjudication Act		92.00	46.00
Historical Preservation		3,192.47	2,766.47
Housing Trust			1,118.78
Council on Affordable Housing Trust (COAH)		96,773.70	93,773.70
CDBG Rehabilitation		44,604.21	43,485.46
Off Duty Police		11,240.75	10,605.00
Celebration of Public Events		4,165.00	4,165.00
Fire Penalties		2,000.00	2,000.00
Public Defender		1,795.00	1,170.00
Tax Sale Premiums		500.00	500.00
Unemployment Compensation Fund		20,528.38	20,834.73
DARE Contributions		6,165.00	6,165.00
Local Assistance		<u>1,090.80</u>	<u>1,090.80</u>
Total Other Trust Funds		<u>246,005.28</u>	<u>243,631.33</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		<u>\$ 434,000.16</u>	<u>\$ 393,417.33</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
GENERAL CAPITAL FUND



TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 273,913.56	\$ 542,605.29
Deferred Charges to Future Taxation:			
Funded		2,710,000.00	3,120,391.88
Unfunded	C-4	<u>396,516.11</u>	<u>225,500.00</u>
<u>TOTAL ASSETS</u>		<u>\$ 3,380,429.67</u>	<u>\$ 3,888,497.17</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 2,710,000.00	\$ 3,105,000.00
Green Acres Loan Payable	C-9		15,391.88
Improvement Authorizations:			
Funded	C-5	351,043.15	501,157.37
Unfunded	C-5	63,634.82	96,788.52
Due Current Fund	A	112,772.67	
Capital Improvement Fund	C-6	42,062.24	38,312.24
Reserve for:			
Encumbrances		39,559.39	11,006.54
Payment of Debt Service			9,483.22
Preliminary Expenses - Open Space Acquisition		7,352.17	7,352.17
Fund Balance	C-1	<u>54,005.23</u>	<u>104,005.23</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,380,429.67</u>	<u>\$ 3,888,497.17</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 104,005.23
Decreased by:		
Due To Current Fund:		
Anticipated as Revenue		<u>50,000.00</u>
Balance December 31, 2021	C	<u><u>\$ 54,005.23</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
PUBLIC ASSISTANCE FUND

(NOT APPLICABLE)

TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF WEST AMWELL  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2021	2020
<u>ASSETS</u>		
Land	\$ 2,240,713.00	\$ 2,240,713.00
Buildings	1,696,957.00	1,696,957.00
Machinery and Equipment	3,792,272.00	3,792,272.00
<u>TOTAL ASSETS</u>	<u>\$ 7,729,942.00</u>	<u>\$ 7,729,942.00</u>
<u>RESERVES</u>		
Investment in General Fixed Assets	\$ 7,729,942.00	\$ 7,729,942.00
<u>TOTAL RESERVES</u>	<u>\$ 7,729,942.00</u>	<u>\$ 7,729,942.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

1

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of West Amwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of West Amwell, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of West Amwell do not include the operations of the volunteer fire department and first aid squad.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of West Amwell conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices 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. Under this method of accounting, the Township of West Amwell accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - Estimated value of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value and the Township's net pension liability, net OPEB liability, and related deferred inflows and outflows would be recorded.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

The cash basis of accounting is followed in the Trust Funds.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by loans or by capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed Property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds - 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 cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets - General fixed assets are recorded at cost except for land, which is recorded at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by an "Investment in General Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund and the General Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current Fund may not always agree due to differences in valuation methods, timing of recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.



TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current operating, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2021	2020	2019
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,710,000.00	\$ 3,105,000.00	\$ 3,485,000.00
Loans Payable		15,391.88	45,720.00
Net Debt Issued	<u>2,710,000.00</u>	<u>3,120,391.88</u>	<u>3,530,720.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	396,516.11	225,500.00	190,000.00
Total Authorized but not Issued	<u>396,516.11</u>	<u>225,500.00</u>	<u>190,000.00</u>
Less: Reserve to Pay Debt Service:			
General Capital Fund		9,483.22	155,460.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u><u>\$ 3,106,516.11</u></u>	<u><u>\$ 3,336,408.66</u></u>	<u><u>\$ 3,565,260.00</u></u>

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Current and Prior Years

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2021</u>
Bond Anticipation Notes:				
General Capital Fund	\$ 3,105,000.00		\$ 395,000.00	\$ 2,710,000.00
Loans:				
General Capital Fund	<u>15,391.88</u>		<u>15,391.88</u>	
Total	<u>\$ 3,120,391.88</u>	<u>\$ -0-</u>	<u>\$ 410,391.88</u>	<u>\$ 2,710,000.00</u>
	<u>Balance</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2020</u>
Bond Anticipation Notes:				
General Capital Fund	\$ 3,485,000.00		\$ 380,000.00	\$ 3,105,000.00
Loans:				
General Capital Fund	<u>45,720.00</u>		<u>30,328.12</u>	<u>15,391.88</u>
Total	<u>\$ 3,530,720.00</u>	<u>\$ -0-</u>	<u>\$ 410,328.12</u>	<u>\$ 3,120,391.88</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.576%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	\$ 14,994,723.64	\$ 14,994,723.64	
General Debt	<u>3,106,516.11</u>		<u>\$ 3,106,516.11</u>
	<u>\$ 18,101,239.75</u>	<u>\$ 14,994,723.64</u>	<u>\$ 3,106,516.11</u>

Net Debt \$3,106,516.11 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$539,165,046.00 = 0.576%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 18,870,776.61
Net Debt	<u>3,106,516.11</u>
Remaining Borrowing Power	<u>\$ 15,764,260.50</u>

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

The foregoing information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

Analysis of Debt Issued and Outstanding at December 31, 2021

General Capital Bond Anticipation Notes

Purpose	Maturity Date	Interest Rate	Balance Dec. 31, 2021
Refunding Bonds Series 2014	5/1/2026	2.600%	\$ 800,000.00
Refunding Bonds Series 2014-16			
Deferred School Tax	11/1/2024	3.650%	380,000.00
General Obligation Bonds Series 2019	6/15/2029	5.000%-3.000%	<u>1,530,000.00</u>
Total Debt Issued and Outstanding			<u>\$ 2,710,000.00</u>

Year	Bonds		Loans		Total
	Principal	Interest	Principal	Interest	
2022	\$ 390,000.00	\$ 14,280.00	\$ 23,784.39	\$ 1,088.87	\$ 429,153.26
2023	405,000.00	14,722.50	24,262.47	610.80	444,595.77
2024	410,000.00	14,957.50	12,313.50	123.14	437,394.14
2025	410,000.00	14,020.00			424,020.00
2026	405,000.00	16,290.00			421,290.00
2027-2029	690,000.00	20,700.00			710,700.00
	<u>\$ 2,710,000.00</u>	<u>\$ 94,970.00</u>	<u>\$ 60,360.36</u>	<u>\$ 1,822.81</u>	<u>\$ 2,867,153.17</u>

Note 3: Green Acres Trust Program

The Town was approved for the Green Acres Trust Program. The program was developed by the New Jersey Department of Environmental Protection to provide low interest loans to local governments for the acquisition, preservation and improvement to land for recreation.

Payments of principal and interest on the loans are required to be made once the funds earmarked for a specific project have been completely drawn down. Payments are to commence nine months after the final drawdown date and are to continue on a semi-annual basis over a period of 10 to 20 years. Interest on the loans, is at the rate of 2% annually on the outstanding balance. The final payment on the loans was made in 2021.

Note 4: Fund Balances Appropriated

The amount of fund balance at December 31, 2021, which is included in the adopted budget for the Current Fund for the year ending December 31, 2022 is \$85,000.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans

Township employees participate in one of two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$97,120 for 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability was \$1,395,702 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to 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 members, actuarially determined. At June 30, 2020, the Township's proportion was 0.0085%, which was an increase of 0.0016% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability with no adjustments. The State of New Jersey Public Employee's Retirement System's (PERS) valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Services, State of New Jersey is permitting municipalities to include the June 30, 2020 pension information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

For the year ended December 31, 2021, the Township recognized actual pension expense in the amount of \$97,120.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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 a 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.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets 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 Management Strategies	3.00%	3.40%

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 1,753,064	\$ 1,395,702	\$ 1,086,756

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after 4 years of service.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for PFRS:

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members.

The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.



TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

Township contributions to PFRS amounted to \$161,668 for the year ended December 31, 2021. During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$21,864 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$32,201.

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability for its proportionate share of the net pension liability was \$1,830,846. 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 which was rolled forward to 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 members, actuarially determined. At June 30, 2020, the Township's proportion was 0.0141%, which was an increase of 0.0004% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$284,139 as of June 30, 2020. 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 which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the State's proportion was 0.0141%, which was an increase of 0.0004% from its proportion measured as of June 30, 2019 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 1,830,846
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>284,139</u>
Total Net Pension Liability	<u><u>\$ 2,114,985</u></u>

For the year ended December 31, 2021, the Township recognized total pension expense of \$161,668.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through all future years	3.25 – 15.25% based on years of service
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Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the RP-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted Retiree mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2020 are summarized in the following table:

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<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-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets 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 Management Strategies	3.00%	3.40%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2020</u>		
	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Township's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 2,812,494	\$ 2,114,985	\$ 1,535,649

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

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Note 5: Pension Plans (Cont'd)

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

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of \$376.76 for the year ended December 31, 2021. Employee contributions to DCRP amounted to \$439.69 for the year ended December 31, 2021.

Note 6: Regional School Districts Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the respective school district.

The Township of West Amwell has elected not to defer school taxes.

Note 7: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$175,096.06 at December 31, 2021. This amount is not reported as an expenditure or liability.

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 8: Selected Tax Information

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	\$ 2.225	\$ 2.270	\$ 2.244

Apportionment of Tax Rate

Municipal	.322	.316	.300
Municipal Open Space	.060	.060	.060
County	.359	.357	.370
Regional School	1.484	1.537	1.514

Assessed Valuations

2021	<u>\$ 572,256,038.00</u>		
2020		<u>\$ 545,474,464.00</u>	
2019			<u>\$ 536,690,988.00</u>

Comparison of Tax Levies and Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 12,749,090.92	\$ 12,532,652.79	98.30%
2020	12,390,036.00	12,164,851.00	98.18%
2019	12,077,499.00	11,774,799.00	97.49%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 9: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investments matures within the period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below on the following page.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of collected public funds on deposit and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

Investments: (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) (the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2021, cash and cash equivalents of the Township consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Totals</u>
Current Fund	\$ 250.00	\$ 788,091.41	\$ 788,341.41
Federal and State Grant Fund		32,106.73	32,106.73
Animal Control Fund		1,077.89	1,077.89
Open Space Trust Fund		186,916.99	186,916.99
Other Trust Fund		245,875.30	245,875.30
General Capital Fund		273,913.56	273,913.56
	<u>\$ 250.00</u>	<u>\$ 1,527,981.88</u>	<u>\$ 1,528,231.88</u>

During the period ended December 31, 2021, the Township did not hold any investments. The carrying amount of the Township of West Amwell's cash and cash equivalents at December 31, 2021, was \$1,528,231.88 and the bank balance was \$1,574,834.34.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 10: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage for property and liability. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

The Township of West Amwell is a member of the Statewide Insurance Fund, (the "Fund"). The Fund provides its members with workers' compensation insurance and surety bond coverage. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2021 audit report of the Statewide Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2020 is as follows:

Total Assets	\$ 50,426,242
Net Position	\$ 17,737,333
Total Revenue	\$ 25,527,755
Total Expenses	\$ 22,832,492
Change in Net Position	\$ 2,695,263
Member Dividends	\$ -0-

Financial statements for the Fund are available at the office of the Fund's Executive Director:

Statewide Insurance Fund  
1 Sylvan Way, Suite 100  
Parsippany, New Jersey 07054

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 and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:



TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

Year	Employee Contributions	Employer Contributions / Interest Earned	Amount Reimbursed	Ending Balance
2021	\$ -0-	\$ 15.19	\$ 306.35	\$ 20,543.57
2020	-0-	85.73	785.00	20,834.73
2019	-0-	182.00	1,699.00	21,534.00

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2021:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 212,338.60	\$ 275,171.69
Federal and State Grant Fund	275,041.71	
Animal Control Fund		4.38
Other Trust Fund	129.98	
Other Trust Funds - Open Space		99,561.55
General Capital Fund		112,772.67
	<u>\$ 487,510.29</u>	<u>\$ 487,510.29</u>

The interfund receivable in the Current Fund reflects current year budget appropriations due from the Open Space Trust Fund, current year budget appropriations and current year activity due from the General Capital Fund, and current year interest earned in the Animal Control Fund. The interfund receivable in the Federal and State Grant Fund is due to current year grants received in the Current Fund. The interfund receivable in the Other Trust Fund is due to tax sale premiums collected in the Current Fund.

Note 12: Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for disputes over contract awards. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Township's financial position as of December 31, 2021.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Note 13: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 14: Open Space Trust Fund

The Township created an Open Space Trust Fund with a tax levy of \$.006 per \$100 of assessed valuation in 2004. The funds collected are used to acquire and maintain open space property in the Township. The balances of the Open Space Trust Fund at December 31, 2021 and 2020 were \$87,355.44 and \$145,324.57, respectively.

Note 15: Fixed Assets

The following is a summarization of general fixed assets for the year ended December 31, 2021:

	Balance Dec. 31, 2020	Additions	Deletions	Balance Dec. 31, 2021
Land	\$ 2,240,713.00			\$ 2,240,713.00
Buildings and Improvements	1,696,957.00			1,696,957.00
Machinery and Equipment	3,792,272.00			3,792,272.00
	<u>\$ 7,729,942.00</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 7,729,942.00</u>
	Balance Dec. 31, 2019	Additions	Deletions	Balance Dec. 31, 2020
Land	\$ 2,240,713.00			\$ 2,240,713.00
Buildings and Improvements	1,696,957.00			1,696,957.00
Machinery and Equipment	3,583,070.00	\$ 209,202.00		3,792,272.00
	<u>\$ 7,520,740.00</u>	<u>\$ 209,202.00</u>	<u>\$ -0-</u>	<u>\$ 7,729,942.00</u>

Note 16: Postemployment Benefits Other than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

In addition to the pension described in Note 4, the Township provides post-employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

Contributions

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

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Special Funding Situation

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

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense Related to OPEB

The Township has rolled forward the net OPEB liability as of June 30, 2020 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2020 OPEB information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense Related to OPEB (Cont'd)

At June 30, 2020, the Township had a liability of \$2,755,702 for its proportionate share of the net OPEB liability. At June 30, 2020, the Township's proportion was 0.015355% which was an increase of .002% from its proportion measured as of June 30, 2019. Additionally, the State's proportionate share of the net OPEB liability attributable to the Authority at June 30, 2020 was \$1,798,736. At June 30, 2020, the State's proportion related to the Authority was 0.032930%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

For the year ended June 30, 2020 the Authority's OPEB expense as determined by the State of New Jersey Division of Pensions and Benefits was \$101,061. Additionally, during the year ended June 30, 2020, the State of New Jersey's OPEB expense related to the Authority was \$89,542

The Township's actual post retirement payments in 2021 for 16 retiree employees were \$32,448.12.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% - 6.00%
Rate thereafter	3.00% to 7.00%
Police and Fireman's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

\* - Salary increases are based on years of service.

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PERS and PFRS experience study prepared for July 1, 2013 – June 30, 2018 and July 1, 2014 – June 30, 2018, respectively.

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

TOWNSHIP OF WEST AMWELL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.6% and decreases to a 4.5% long term trend rate after seven years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability Attributable to the Township to Changes in the Discount Rate

The following presents the net OPEB Liability of the Township as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Township would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1%	Current	At 1%
	Decrease	Discount Rate	Increase
	(1.21%)	(2.21%)	(3.21%)
Township's proportionate share of the			
Net OPEB Liability	\$ 3,257,822	\$ 2,755,702	\$ 2,358,229

Sensitivity of the Net OPEB Liability Attributable to the Township to Changes in the Healthcare Trend Rate

The following presents the net OPEB Liability of the Township as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Township would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1%	Healthcare	1%
	Decrease	Cost Trend	Increase
		Rate	
Township's proportionate share of the			
Net OPEB Liability	\$ 2,280,347	\$ 2,755,702	\$ 3,378,187

TOWNSHIP OF WEST AMWELL

SUPPLEMENTARY DATA

TOWNSHIP OF WEST AMWELL  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2021

Name	Title	Amount of Bond	Name of Corporate Surety
Stephen Bergenfeld	Mayor		
James Cally	Deputy Mayor		
John Dale	Committeeperson		
Gary Hoyer	Committeeperson		
Lucas Lyons	Committeeperson		
Thomas J. Carro	Chief Financial Officer; Treasurer (Until 6/30/2021)	\$ 1,000,000.00	Statewide Insurance Fund
Joanna Mustafa	Chief Financial Officer; Treasurer (From 6/15/2021)	1,000,000.00	Statewide Insurance Fund
Gail Brewi	Tax Collector; Tax Search Official; Construction/Zoning Office Manager; Municipal Housing Liason	1,000,000.00	Statewide Insurance Fund
Maria Andrews	Municipal Clerk; Registrar; Planning Board Secretary	(a)	
	Board of Adjustment Secretary; Board of Health Secretary		
Sandy Haberle	Deputy Municipal Clerk; Deputy Registrar; Assistant Treasurer; Payroll Clerk; Escrow Clerk; Dog Registrar	(a)	
David Gill	Tax Assessor	(a)	
Philip Rosso	Construction Official; Building Subcode Official & Inspector	(a)	
Ryan Rollero	Director of Public Works & Roads	(a)	
Pamela Williamson	Municipal Court Administrator	(a)	
Raymond Barson	Magistrate	(a)	
Harry Heller	Office of Emergency Management	(a)	
Katrina Campbell	Attorney		
William Burr	Engineer		

All bonds were examined and were properly executed

(a) - There is a Public Employees Blanket Bond for \$1,000,000.00 through the Statewide Insurance Fund



TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
CURRENT FUND

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 678,845.35
Increased by Receipts:		
Taxes Receivable	\$ 12,587,379.08	
Prepaid Taxes - 2022	116,403.64	
Tax Overpayments	3,109.11	
Interest and Costs on Taxes	90,574.78	
Revenue Accounts Receivable	1,537,186.21	
Miscellaneous Revenue Not Anticipated	72,503.20	
Due to Federal and State Grant Fund:		
Interfund Returned	19,241.92	
Federal and State Grants Receivable	255,843.58	
Due from State of N.J.:		
Veterans' and Senior Citizens' Deductions	22,083.00	
Construction Code Fees	37,129.70	
Marriage License Fees	3,086.00	
Due General Capital Fund:		
Interfund Returned	200,000.00	
Due Other Trust Fund:		
Interfund Advanced	2,047.05	
Tax Title Lien Redemption	16,079.29	
Third Party Liens	183,780.23	
Appropriation Refunds	28,456.53	
	<hr/>	<hr/>
		15,174,903.32
		15,853,748.67
Decreased by Disbursements:		
2021 Appropriation Expenditures	3,754,826.48	
2020 Appropriation Reserve Expenditures	67,042.51	
Regional School District Taxes	8,493,006.00	
County Taxes	2,051,018.56	
Third Party Liens Redeemed	183,780.23	
Due to State of New Jersey:		
Construction Code Fees	40,181.70	
Marriage License Fees	3,136.00	
Due to General Capital Fund	318,016.78	
Due Other Trust Fund	154,399.00	
	<hr/>	<hr/>
		15,065,407.26
Balance December 31, 2021	A	\$ 788,341.41

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF WEST AMWELL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>		
Balance December 31, 2020	A	\$	43,860.58
Increased by Receipts:			
Due to Current Fund:			
Interest Earned		\$	43.79
Unappropriated Reserves			29,418.24
Appropriated Reserves			16,130.00
			<u>45,592.03</u>
			89,452.61
Decreased by Disbursements:			
Due to Current Fund:			
Interfund Advanced			19,241.92
Appropriated Reserves			38,103.96
			<u>57,345.88</u>
Balance December 31, 2021	A	\$	<u><u>32,106.73</u></u>

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31 2020	2021 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancellations	Trans- ferred to Tax Title Liens	Balance Dec. 31, 2021
			2020	2021				
2020	\$ 208,782.06			\$ 206,868.86		\$ 1,818.90		\$ 94.30
2021		\$ 12,749,090.92	\$ 128,809.57	12,380,510.22	\$ 23,333.00		\$ 14,515.42	201,922.71
	\$ 208,782.06	\$ 12,749,090.92	\$ 128,809.57	\$ 12,587,379.08	\$ 23,333.00	\$ 1,818.90	\$ 14,515.42	\$ 202,017.01

Ref.

A

A

Analysis of 2021 Property Tax Levy

General Purpose Tax	\$ 12,732,696.85							
Added Taxes (54-4-63.1 et seq.)	16,394.07							
				\$ 12,749,090.92				
Tax Levy:								
Regional School District Taxes								
County Taxes:				\$ 8,493,006.00				
County Taxes	\$ 2,049,797.29							
Due County for Added and Omitted Taxes	2,652.99			2,052,450.28				
Municipal Open Space Tax	343,354.00							
Municipal Open Space Tax - Added and Omitted Taxes	438.45			343,792.45				
				10,889,248.73				
Local Tax for Municipal Purposes	1,845,043.78							
Add: Additional Tax Levied	14,798.41			1,859,842.19				
				\$ 12,749,090.92				

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 103,745.60
Increased by:		
Transfer from Taxes Receivable		14,515.42
		<u>118,261.02</u>
Decreased by:		
Redeemed	\$ 16,079.29	
Foreclosure	<u>64,345.91</u>	
		<u>80,425.20</u>
Balance December 31, 2021	A	<u><u>\$ 37,835.82</u></u>

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Accrued</u> <u>in 2021</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Licenses:				
Alcoholic Beverages		\$ 2,500.00	\$ 2,500.00	
Fees and Permits		89,631.13	89,631.13	
Fines and Costs:				
Municipal Court	\$ 5,298.98	82,183.34	82,514.69	\$ 4,967.63
Consolidated Municipal Property Tax Relief		164,024.00	164,024.00	
Energy Receipts Tax		743,105.00	743,105.00	
Garden State Trust Fund		56,596.00	56,596.00	
South Hunterdon Regional School District				
Special Police Officers Security		69,921.42	69,921.42	
Uniform Construction Code Fees		224,128.21	224,128.21	
Uniform Fire Safety Act		6,134.56	6,134.56	
Watershed Moritorium Offset Aid		21,620.00	21,620.00	
Interest on Investments and Deposits		636.16	636.16	
Solar Installation - Site Lease Agreement		26,375.04	26,375.04	
Due General Capital Fund				
Appropriated Revenue - General Capital Fund Balance		50,000.00	50,000.00	
	<u>\$ 5,298.98</u>	<u>\$ 1,536,854.86</u>	<u>\$ 1,537,186.21</u>	<u>\$ 4,967.63</u>
<u>Ref.</u>	A			A

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries and Wages	\$ 88.05	\$ 88.05		\$ 88.05
Other Expenses	486.76	486.76	\$ 110.98	375.78
Mayor and Council:				
Salaries and Wages	1.00	1.00		1.00
Municipal Clerk:				
Salaries and Wages	2.00	2.00		2.00
Other Expenses	1,106.00	1,106.00	178.92	927.08
Financial Administration:				
Salaries and Wages	49.00	49.00		49.00
Other Expenses	1,036.00	1,036.00		1,036.00
Collection of Taxes:				
Salaries and Wages	86.00	86.00		86.00
Other Expenses	315.00	315.00	277.46	37.54
Assessment of Taxes:				
Other Expenses:	34.00	34.00		34.00
Legal Services and Costs:				
Other Expenses	5,524.00	5,524.00	4,380.00	1,144.00
Prosecutor Contracted	1,000.00	1,000.00	1,000.00	
Engineering Services and Costs:				
Other Expenses	4,272.00	4,272.00	145.00	4,127.00
Agricultural Advisory Committee:				
Other Expenses	500.00	500.00		500.00
Historical Preservation:				
Other Expenses	50.00	50.00		50.00
<b>LAND USE ADMINISTRATION:</b>				
Planning Board:				
Other Expenses	4,503.63	4,503.63	4,503.63	
Zoning Officer:				
Salaries and Wages	9.00	9.00		9.00
Insurance:				
Liability Insurance	2,115.00	2,115.00	1,826.13	288.87
Workers' Compensation Insurance	2.00	2.00	2.00	
Group Insurance Plans for Employees	66.00	66.00		66.00
<b>PUBLIC SAFETY FUNCTIONS:</b>				
Police:				
Salaries and Wages	13,622.02	13,622.02	13,622.02	
Other Expenses	5,184.10	5,184.10	5,072.30	111.80
Emergency Management Services:				
Other Expenses	418.00	418.00		418.00
Fire Prevention:				
Salaries and Wages	4.00	4.00		4.00
Other Expenses	700.00	700.00		700.00

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>PUBLIC WORKS FUNCTIONS:</b>				
Department of Public Works:				
Salaries and Wages	\$ 7,835.00	\$ 7,835.00		\$ 7,835.00
Other Expenses	6,016.00	6,016.00	\$ 5,963.92	52.08
Buildings and Grounds:				
Salaries and Wages	925.00	925.00		925.00
Other Expenses	13,774.00	13,774.00	12,929.99	844.01
Vehicle Maintenance:				
Other Expenses	8,818.26	8,818.26	8,818.26	
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>				
Board of Health:				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	5,520.00	5,520.00	263.62	5,256.38
Solid Waste Collection:				
Salaries and Wages	620.00	620.00		620.00
Other Expenses	584.06	584.06	584.06	
Environmental Health Services:				
Other Expenses	650.00	650.00		650.00
<b>PARKS AND RECREATION FUNCTIONS:</b>				
Maintenance of Parks:				
Other Expenses	7,000.00	7,000.00	5,000.00	2,000.00
<b>UNIFORM CONSTRUCTION CODE:</b>				
Construction Official:				
Salaries and Wages	389.00	389.00		389.00
Other Expenses	1,481.00	1,481.00	1,430.04	50.96
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>				
Electricity	2,308.00	2,308.00	1,836.32	471.68
Telephone	2,886.00	2,886.00	1,201.58	1,684.42
Water	199.00	199.00		199.00
Fuel Oil	1,188.00	1,188.00	1,180.43	7.57
Gasoline	3,114.00	3,114.00	1,547.14	1,566.86
Recycling Surcharge	482.00	482.00		482.00
Street Lighting	835.00	835.00		835.00
<b>Municipal Court:</b>				
Salaries and Wages	5,696.00	5,696.00		5,696.00
Other Expenses	1,747.00	1,747.00	1,023.71	723.29
<b>STATUTORY EXPENDITURES:</b>				
Contribution to:				
Social Security System (O.A.S.I.)	634.00	634.00		634.00
Defined Contribution Retirement Plan	1,500.00	1,500.00		1,500.00



TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
 (Continued)

		Balance Dec. 31, 2020	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Affordable Housing:					
Salaries and Wages		\$ 219.00	\$ 219.00		\$ 219.00
Other Expenses		1,478.00	1,478.00	\$ 145.00	1,333.00
LOSAP Contribution		3,000.00	3,000.00		3,000.00
South Hunterdon SD -					
Special Police Officer's Security		11,549.00	11,549.00		11,549.00
Tax Collector - East Amwell Township		34.00	34.00		34.00
		<u>\$ 131,655.88</u>	<u>\$ 131,655.88</u>	<u>\$ 73,042.51</u>	<u>\$ 58,613.37</u>
<u>Analysis of Balance December 31, 2020:</u>					
	<u>Ref.</u>				
Unencumbered	A	\$ 123,664.52	Cash Disbursed	\$ 67,042.51	
Encumbered	A	7,991.36	Accounts Payable	6,000.00	
		<u>\$ 131,655.88</u>		<u>\$ 73,042.51</u>	

TOWNSHIP OF WEST AMWELL  
CURRENT FUND  
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

Increased by:

Levy - Calendar Year 2021	<u>\$ 8,493,006.00</u>
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Decreased by:

Payments to Regional School District	<u>\$ 8,493,006.00</u>
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TOWNSHIP OF WEST AMWELL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

	Balance Dec. 31, 2020	2021 Budget Revenue Realized	Cash Receipts	Balance Dec. 31, 2021
New Jersey Department of Environmental Protection				
Alexauken Creek Watershed Plan Grant	\$ 234,500.00			\$ 234,500.00
Alexauken Creek Plan I Grant	4,011.90			4,011.90
New Jersey Department of Transportation				
Rocktown / Lambville Road IV Grant	\$	150,000.00	\$ 112,500.00	37,500.00
Clean Communities Grant		12,530.20	12,530.00	0.20
Body Worn Cameras Grant		28,532.00		28,532.00
American Rescue Plan Grant		143,343.58	143,343.58	
County of Somerset - Cell Phone Grant		3,600.00	3,600.00	
	<u>\$ 238,511.90</u>	<u>\$ 338,005.78</u>	<u>\$ 271,973.58</u>	<u>\$ 304,544.10</u>
<u>Ref.</u>	A	Cash Receipts Received in Current Fund	\$ 16,130.00 255,843.58 <u>\$ 271,973.58</u>	A

TOWNSHIP OF WEST AMWELL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Cash Receipts	Balance Dec. 31, 2021
County of Somerset - Cell Phone Grant	\$ 11,990.00	\$ 11,990.00
Body Armor Grant	1,052.44	1,052.44
Click it or Ticket Grant	880.00	880.00
Drunk Driving Enforcement Fund Grant	6,195.00	6,195.00
Recycling Tonnage Grant	9,300.80	9,300.80
	\$ 29,418.24	\$ 29,418.24

Ref.

A

TOWNSHIP OF WEST AMWELL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2020	Transferred from 2021 Budget	Cash Disbursed	Balance Dec. 31, 2021
New Jersey Department of Environmental Protection:				
Alexauken Creek Watershed Plan Grant	\$ 256,840.00			\$ 256,840.00
Alexauken Creek Plan I Grant	8,522.48			8,522.48
New Jersey Department of Transportation:				
Rocktown / Lambville Road IV Grant		\$ 150,000.00		150,000.00
Hazardous Emergency Program Grant	1,667.00			1,667.00
Body Armor Grant	2,301.00			2,301.00
Alcohol Rehabilitation Grant	668.00			668.00
Drunk Driving Enforcement Fund Grant	12,374.00		\$ 4,394.00	7,980.00
Clean Communities Grant		12,530.20	5,177.96	7,352.24
Body Worn Cameras Grant		28,532.00	28,532.00	
American Rescue Plan Grant		143,343.58		143,343.58
County of Somerset - Cell Phone Grant		3,600.00		3,600.00
	<u>\$ 282,372.48</u>	<u>\$ 338,005.78</u>	<u>\$ 38,103.96</u>	<u>\$ 582,274.30</u>

Ref.

A

A

TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
TRUST FUNDS

TOWNSHIP OF WEST AMWELL  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Open Space Trust Fund</u>	<u>Other Trust Funds</u>
B	\$ 4,461.43	\$ 145,324.57	\$ 243,631.33
Balance December 31, 2020			
Increased by Receipts:			
Municipal Licensing Fees	\$ 5,204.36		
Due State Board of Health	1,725.62		
Open Space Trust:			
Interest Earned		\$ 81.49	
Miscellaneous		2,530.00	
Collected in Open Space - Due to Current		154,399.00	
Due Current Fund:			
Interest Earned	4.38		\$ 126.37
Developer's Escrow			46,769.18
Council on Affordable Housing Trust (COAH)			3,000.00
CDBG Rehabilitation			1,118.75
Off Duty Police			46,100.75
Public Defender			725.00
Parking Offenses Adjudication Act			46.00
Historical Preservation			426.00
	6,934.36	157,010.49	98,312.05
	<u>11,395.79</u>	<u>302,335.06</u>	<u>341,943.38</u>
Decreased by Disbursements:			
Due to Current Fund:			
Prior Year Interfund Returned			1,790.70
Interest Earned			256.35
Due State Board of Health	1,725.62		
Animal Control Expenditures	8,592.28		
Open Space Trust		115,418.07	
Housing Trust			1,118.78
Developer's Escrow			47,030.90
Unemployment Compensation Fund			306.35
Off Duty Police			45,465.00
Public Defender			100.00
	10,317.90	115,418.07	96,068.08
Balance December 31, 2021	<u>\$ 1,077.89</u>	<u>\$ 186,916.99</u>	<u>\$ 245,875.30</u>

TOWNSHIP OF WEST AMWELL  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2020	B	\$ 4,461.43
Increased by:		
2021 Dog License Fees Collected		5,204.36
		<u>9,665.79</u>
Decreased by:		
Expenditures under R.S.4:19-15.11		8,592.28
		<u>8,592.28</u>
Balance December 31, 2021	B	<u>\$ 1,073.51</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 11,871.00
2019	6,173.00
	<u>6,173.00</u>
Maximum Allowable Reserve	<u>\$ 18,044.00</u>



TOWNSHIP OF WEST AMWELL  
COUNTY OF HUNTERDON  
2021  
GENERAL CAPITAL FUND

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 542,605.29
Increased by Receipts:		
Due Current Fund:		
Interfund Advanced	\$ 318,016.78	
Interest Earned	272.67	
NJ Department of Transportation Grant	42,733.89	
		<u>361,023.34</u>
		903,628.63
Decreased by Disbursements:		
Improvement Authorization Expenditures	379,715.07	
Due Current Fund:		
Anticipated Revenue - General Capital Surplus	50,000.00	
Interfund Returned	200,000.00	
		<u>629,715.07</u>
Balance December 31, 2021	C	<u>\$ 273,913.56</u>

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance / (Deficit) December 31, 2020	Receipts		Disbursements		Transfers		Balance / (Deficit) December 31, 2021
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 104,005.23				\$ 50,000.00			\$ 54,005.23
Capital Improvement Fund	38,312.24					\$ 11,250.00	\$ 15,000.00	42,062.24
Due Current Fund		\$ 318,289.45			200,000.00	15,000.00	9,483.22	112,772.67
Reserve for:								
Encumbrances	11,006.54					11,006.54	39,559.39	39,559.39
Payment of Debt Service	9,483.22					9,483.22		
Preliminary Expenses - Open Space Acquisition	7,352.17							7,352.17
Ordinance								
Date	Improvement Description							
96-12	Funding Accessory Loan Program - Rehabilitate Existing Rental Dwellings							20,000.00
20-09	Acquisition of Real Property to Meet the Township's COAH Obligation							313,924.66
10-11	Various Capital Improvements							3,857.08
05-18	Improvements to Police Facility, DPW Dump Truck, Police SUV, Municipal Building Elevator							
04-19	Acquisition of Equipment							64,477.21
10-19	Improvements to Mill Road							841.92
05-20	Mason Dump Truck, Fire and Court Equipment							98,056.50
04-21	Improvements to Rocktown Lambertville Road (Phase IV)							(128,711.48)
						39,559.39	11,006.54	(128,711.48)
							11,250.00	(189,528.07)
	\$ 542,605.29	\$ 361,023.34	\$ 379,715.07	\$ 250,000.00	\$ 86,299.15	\$ 86,299.15	\$ 273,913.56	

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Funded by New Jersey Department of Transportation Grant	Balance Dec. 31, 2021	Analysis of Balance December 31, 2021	
						Expenditures	Unexpended Improvement Authorizations
10-19	Improvements to Mill Road	\$ 77,500.00		\$ 42,733.89	\$ 34,766.11	\$ 34,766.11	
05-20	Mason Dump Truck, Fire and Court Equipment	148,000.00			148,000.00		
04-21	Improvements to Rocktown Lambertville Road (Phase IV)		\$ 213,750.00		213,750.00	213,750.00	
		\$ 225,500.00	\$ 213,750.00	\$ 42,733.89	\$ 396,516.11	\$ 396,516.11	\$ -0-
<u>Ref.</u>		C		C			
				Improvement Authorizations Unfunded		\$	63,634.82
				Less: Unexpended Proceeds of Bond Anticipation Notes Issued:			
				Ordinance 10-19			20,124.37
				Ordinance 05-20			19,288.52
				Ordinance 04-21			24,221.93
						\$	-0-

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Number	Ordinance Date	Amount	Balance December 31, 2020		Prior Year Encumbrances Returned	2021 Authorizations		Paid or Charged	Balance December 31, 2021	
				Funded	Unfunded		Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded		Funded	Unfunded
Funding Accessory Loan Program - Rehabilitate Existing Rental Dwellings	96-12	12/04/96	\$ 140,000.00	\$ 20,000.00						\$ 20,000.00	
Acquisition of Real Property to Meet the Township's COAH Obligation	20-09	08/12/09	315,000.00	313,924.66						313,924.66	
Various Capital Improvements	10-11	06/22/11	816,600.00	3,857.08					\$ 937.50	2,919.58	
Improvements to Police Facility, DPW Dump Truck, Police SUV, Municipal Building Elevator	05-18	04/04/18	645,000.00	64,477.21					51,120.22	13,356.99	
Acquisition of Equipment	04-19	04/03/19	39,000.00	841.92						841.92	
Improvements to Mill Road	10-19	05/15/19	200,000.00	98,056.50	\$ 77,500.00				155,432.13		\$ 20,124.37
Mason Dump Truck, Fire and Court Equipment	05-20	07/15/20	155,800.00		19,288.52	\$ 11,006.54			11,006.54		19,288.52
Improvements to Rocktown Lambertville Road (Phase IV)	04-21	03/17/21	225,000.00				\$ 11,250.00	\$ 213,750.00	200,778.07		24,221.93
				\$501,157.37	\$ 96,788.52	\$ 11,006.54	\$ 11,250.00	\$ 213,750.00	\$ 419,274.46	\$351,043.15	\$ 63,634.82
		<u>Ref.</u>		C	C			Cash Disbursed Encumbrances		C	C
								\$ 379,715.07			
								39,559.39			
								<u>\$ 419,274.46</u>			

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 38,312.24
Increased By:		
Budget Appropriation		15,000.00
Decreased By:		<u>53,312.24</u>
Appropriation to Finance		
Improvement Authorizations		<u>11,250.00</u>
Balance December 31, 2021	C	<u><u>\$ 42,062.24</u></u>

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2020	Matured	Balance December 31, 2021
			Date	Outstanding December 31, 2021 Amount				
Refunding Bonds Series 2014	11/6/2014	\$ 1,555,000.00	5/1/2022	\$ 150,000.00	2.600%	\$ 955,000.00	\$ 155,000.00	\$ 800,000.00
			5/1/2023	160,000.00	2.600%			
			5/1/2024	155,000.00	2.600%			
			5/1/2025	170,000.00	2.600%			
			5/1/2026	165,000.00	2.600%			
Refunding Bonds Series 2014-16 Deferred School Tax	11/6/2014 6/28/2016	650,000.00 340,000.00	11/1/2022	120,000.00	3.650%	500,000.00	120,000.00	380,000.00
			11/1/2023	125,000.00	3.650%			
			11/1/2024	135,000.00	3.650%			
General Obligation Bonds Series 2019	6/18/2019	1,770,000.00	6/15/2022	120,000.00	5.000%	1,650,000.00	120,000.00	1,530,000.00
			6/15/2023	120,000.00	5.000%			
			6/15/2024	120,000.00	5.000%			
			6/15/2025	240,000.00	4.000%			
			6/15/2026	240,000.00	5.000%			
			6/15/2027	240,000.00	3.000%			
			6/15/2028	240,000.00	3.000%			
			6/15/2029	210,000.00	3.000%			
						\$ 3,105,000.00	\$ 395,000.00	\$ 2,710,000.00

Ref.

C

C



TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOANS PAYABLE  
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>		
Balance December 31, 2020	C	\$	15,391.88
Decreased by:			
Loan Repayments		\$	15,391.88

TOWNSHIP OF WEST AMWELL  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance		Improvement Description	Balance		2021 Authorizations	Funded by New Jersey Department of Transportation Grant	Balance December 31, 2021
Number	Date		December 31, 2020				
10-19	05/15/19	Improvements Mill Road	\$ 77,500.00	\$	42,733.89	\$	34,766.11
05-20	07/15/20	Mason Dump Truck, Fire and Court Equipment	148,000.00				148,000.00
04-21	03/17/21	Improvements to Rocktown Lambertville Road (Phase IV)		\$	213,750.00		213,750.00
			\$ 225,500.00	\$	213,750.00	\$ 42,733.89	\$ 396,516.11

TOWNSHIP OF WEST AMWELL

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF WEST AMWELL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021

Name of Federal Agency or Department	Name of Program	Pass Through Entity ID	Assistance Listing Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures	Amounts Provided to Subrecipients
				From	To					
U.S. Department of Homeland Security (Passed through New Jersey Department of Law and Public Safety) Total U.S. Department of Homeland Security	Disaster Grants - Public Assistance - FEMA:	100-066-1200-								
	COVID 19 - Coronavirus Pandemic	C50-063710	97.036	01/01/20	12/31/21	\$ 6,902.67	\$ 6,902.67	\$ 6,902.67 *	\$ 6,902.67	
							6,902.67	6,902.67	6,902.67	
U.S. Department of Treasury (Passed through New Jersey Department of Community Affairs) Total U.S. Department of Treasury	COVID 19 - American Rescue Plan:	100-022-8030-								
	Coronavirus State and Local Fiscal Recovery Funds	687-046010	21.027	03/03/21	12/31/24	143,343.58	143,343.58			
							143,343.58			
Total Federal Awards						\$150,246.25	\$ 6,902.67	\$ 6,902.67	\$ 6,902.67	\$ -0-

\* - Expended in prior year

TOWNSHIP OF WEST AMWELL  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2021

Name of State Agency or Department	Name of Program	State Grant Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Environmental Protection	Clean Communities	765-042-4900- 004-178910	01/01/21	12/31/22	12,530.00	\$ 12,530.00	\$ 5,177.96	\$ 5,177.96
						12,530.00	5,177.96	
Total Department of Environmental Protection	Recycling Tonnage Grant	100-042-4910- 224-238490	01/01/21	12/31/22	9,300.80	9,300.80		
						9,300.80		
Total Department of Environmental Protection						21,830.80	5,177.96	5,177.96
Department of Law and Public Safety	Click It or Ticket	100-066-1160- 119-031750	01/01/21	12/31/22	880.00	880.00		
						880.00		
Total Department of Law and Public Safety	Body Armor Grant	718-066-1020- 001-6120	01/01/21	12/31/22	1,052.44	1,052.44		
						1,052.44		
Total Department of Law and Public Safety	Body Worn Camera Assistance	N/A	01/01/21	12/31/22	28,532.00		28,532.00	28,532.00
							28,532.00	28,532.00
Total Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	01/01/20	12/31/22	12,374.00		4,394.00	4,394.00
						6,195.00		
						6,195.00	4,394.00	4,394.00
Total Department of Law and Public Safety						8,127.44	32,926.00	32,926.00
Department of Transportation	Municipal Aid: Rocktown / Lambville Road IV	480-078-6320- AN8-606280	01/01/21	12/31/22	150,000.00	112,500.00		
Total Department of Transportation	Improvements to Mill Road	480-078-6320- AMZ-605178	01/01/19	12/31/22	190,000.00	42,733.89	155,432.13	175,358.26
						155,233.89	155,432.13	175,358.26
Total State Awards						\$ 185,192.13	\$ 160,610.09	\$ 180,536.22
N/A - Not Applicable								

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF WEST AMWELL  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2021

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Township of West Amwell under programs of the federal and state governments for the year ended December 31, 2021. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available. The Township has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Relationship to Federal and State Financial Reports

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

Note 4: Loans Payable

The Township of West Amwell had no loans outstanding as of December 31, 2021.

Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members  
of the Township Committee  
Township of West Amwell  
West Amwell, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of West Amwell, in the County of Hunterdon (the "Township") as of and for the year ended December 31, 2021, and the related notes to the financial statements and have issued our report thereon dated April 29, 2022. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2021-001, that we consider to be a significant deficiency.

The Honorable Mayor and Members  
of the Township Committee  
Township of West Amwell  
Page 2

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of 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*.

### **The Township's Response to the Finding**


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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
April 29, 2022

  
NISIVOCCIA LLP

  
John J. Mooney  
Certified Public Accountant  
Registered Municipal Accountant No. 560



TOWNSHIP OF WEST AMWELL  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on the Internal control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- The Township was not subject to the single audit provisions of Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2021 as both federal and state grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards.

Finding 2021-001 Segregation of Duties

Criteria:

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition:

The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, permits and license fees; and recording of collections. The reconciliation of certain bank accounts and the preparation of the general ledger for the various funds are performed by one individual.

Cause:

This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures.

Effect or Potential Effect:

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Recommendation:

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

TOWNSHIP OF WEST AMWELL  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

7

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards: (Cont'd)

Finding 2021-001 Segregation of Duties (Cont'd)

*Management's Response:*

The Township is aware that there is a lack of adequate segregation of duties. However, Management has determined that the increased costs and related inconvenience to the residents of the Township associated with resolving the finding are not responsible at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

TOWNSHIP OF WEST AMWELL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

The Township had no prior year audit findings.

TOWNSHIP OF WEST AMWELL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF WEST AMWELL  
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Township of West Amwell has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

TOWNSHIP OF WEST AMWELL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Collection of Interest on Delinquent Taxes and Utility Charges

On January 1, 2021, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township Committee of the Township of West Amwell, Hunterdon County, New Jersey, that, in accordance with R.S. 54:4-67 as amended, the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent be and the same is hereby fixed as follows:

1. No interest shall be charged if payment of tax or assessment installment, as the case may be, is made within ten (10) days after the date upon which the same became payable.
2. The rate of interest to be charged for the nonpayment of taxes or assessment installments on or before the date when they become delinquent shall be eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) on any delinquency over \$1,500, to be calculated from the date the tax was payable until the date of actual payment. The interest to be charged a delinquent taxpayer for nonpayment of real property taxes shall be an additional penalty of 6% if the amount of delinquency is in excess of \$10,000 at the end of the calendar year.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 6, 2021 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2021	11
2020	21
2019	22

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2021 and 2022 Taxes	20
Delinquent Taxes	15
Tax Title Liens	3

TOWNSHIP OF WEST AMWELL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges (Cont'd)

Verification notices were mailed to confirm balances and payments as of December 31, 2021. The items that were returned were checked and in agreement with the Township's records. For receivable items not returned, alternative procedures were performed.

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Township is currently in compliance with the above accounting requirements.

Municipal Court

The transactions for the year 2021 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance Dec 31, 2020	Receipts	Disbursements	Balance Dec 31, 2021
Municipal Treasurer:				
Fines & Costs	\$ 5,297.90	\$ 82,184.42	\$ 82,514.69	\$ 4,967.63
POAA		48.00	46.00	2.00
Weights and Measures		100.00		100.00
Public Defender	50.00	575.00	625.00	
County Treasurer:				
Fines & Costs	2,238.50	33,046.00	33,067.25	2,217.25
State Treasurer:				
Fines & Costs	10,295.06	146,827.04	149,264.65	7,857.45
Parks and Forest	157.00	1,982.00	2,139.00	
Conditional Discharge		375.00	375.00	
Cash Bail		1,370.00	820.00	550.00
	<u>\$ 18,038.46</u>	<u>\$ 266,507.46</u>	<u>\$ 268,851.59</u>	<u>\$ 15,694.33</u>

TOWNSHIP OF WEST AMWELL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Outside Offices

We noted the Clerk's office and Police office do not have year-to-date receipts ledgers. It is recommended that the Township have separate year-to-date receipt ledgers for each outside office.

Management's Response

The Township will begin to adequately maintain a record of outside office receipts in separate year-to-date receipts ledgers.

Payroll

During our audit of the Township's payroll records we noted the following;

- 1) Salaries were not being reviewed, calculated, or paid in accordance with the Township's salary resolution by the finance office during the first half of the fiscal year.
- 2) Pensionable salaries were not correctly reported to the New Jersey Division of Pensions and Benefits by the finance department during the first half of the fiscal year.

It is recommended that,

- 1) Employees' salaries be reviewed and calculated at the beginning of the year in accordance with the approved salary resolution.
- 2) Pensionable salaries be reviewed and calculated at the beginning of the year to ensure the correct amounts are reported to the New Jersey Division of Pensions and Benefits.

Management's Response

The current Chief Financial Officer has made every effort to review payroll records to ensure salaries are properly paid, and to ensure that pensionable salaries are properly reported to the New Jersey Division of Pensions and Benefits.

Financial Records

During our review of the Township's financial records, we noted the following:

There are a number of interfund balances included on the various balance sheets including a large interfund receivable in the Current Fund which has an effect on the Current Fund fund balance.

It is recommended that:

Every effort is made to limit interfund activity in the future and liquidate all interfunds by the end of the year especially those interfunds due to the Current Fund.

Management's Response

The Chief Financial Officer will make every effort to limit interfund activity in the future and liquidate all interfunds by the end of the year especially those interfunds due to the Current Fund.

Management Suggestions:

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the year ended December 31, 2022. Previously leases were either categorized as capital leases or operating leases. This statement will likely affect most leases formerly classified as operating leases. There will be required disclosures for leases for which the Township is either a lessee or a lessor although there will be no impact on the actual financial statements. It is likely that a lease software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.



TOWNSHIP OF WEST AMWELL  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Management Suggestions: (Cont'd)

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township's accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

Fixed Assets

The Township's fixed assets appraisal report has not been updated in the last several years. It is important that an updated appraisal be performed to inventory the Township's current fixed assets. It is suggested that the Township hire a fixed assets appraisal company to perform this inventory.

Bank Reconciliations

The Township's bank reconciliations were incomplete for the first few months of the year. We noted for the latter half of the year they were completed. It is suggested that the Township continue to perform monthly bank reconciliations.

Status of Prior Year Recommendations

There were no prior year recommendations.

TOWNSHIP OF WEST AMWELL  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

- 1) An adequate segregation of duties be maintained with respect to the recording and treasury functions.
- 2) The Township have separate year-to-date receipt ledgers for each outside office.
- 3) Employees' salaries be reviewed and calculated at the beginning of the year in accordance with the approved salary resolution.
- 4) Pensionable salaries be reviewed and calculated at the beginning of the year to ensure the correct amounts are reported to the New Jersey Division of Pensions and Benefits.
- 5) Every effort is made to limit interfund activity in the future and liquidate all interfunds by the end of the year especially those interfunds due to the Current Fund.

\* \* \* \* \*