

WOODBIDGE REDEVELOPMENT AGENCY
(A component unit of the Township of Woodbridge)
REPORT OF AUDIT
FOR THE FISCAL YEARS ENDED
JUNE 30, 2021 AND 2020

WOODBIDGE REDEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Woodbridge Redevelopment Agency, a component unit of the Township of Woodbridge, as of and for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Woodbridge Redevelopment Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Woodbridge Redevelopment Agency as of June 30, 2021 and 2020, and the respective changes in its financial position and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Woodbridge Redevelopment Agency's basic financial statements as a whole. The supplementary schedule listed in the table of contents and, schedule of expenditures of state financial assistance as required by New Jersey 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 basic financial statements.

The supplementary schedule listed in the table of contents and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule listed in the table of contents and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2022 on our consideration of the Woodbridge Redevelopment Agency'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 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 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 Woodbridge Redevelopment Agency's internal control over financial reporting and compliance.

Terch, Vinci & Higgins LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)

**WOODBRIIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

This section of the Woodbridge Redevelopment Agency's ("Agency") annual financial report presents our discussion and analysis of the Agency's financial performance during the fiscal year ended on June 30, 2020. Please read it in conjunction with the Agency's basic financial statements and accompanying notes.

The purpose of the Agency is to carryout the redevelopment plans of the Township of Woodbridge.

FINANCIAL HIGHLIGHTS

- The Agency's assets exceeded its liabilities at June 30, 2021 by \$3,775,798.
- The Agency's total assets increased by \$3,109,926.
- Operating revenues increased by \$3,567,005.
- Operating expenses increased by \$79,660.
- Operating income increased by \$3,487,345.

OVERVIEW OF FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Agency is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Enterprise fund financial statements offer short- and long-term financial information about the activities and operations of the Agency. These statements are presented in the Government Accounting Standards Board ("GASB") prescribed manner.

FINANCIAL ANALYSIS OF THE AGENCY

The following is a summary of the Agency's financial position as of June 30, 2021, 2020 and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current Assets	\$ 3,958,290	\$ 1,500,435	\$ 6,106,900
Noncurrent Assets	<u>2,041,571</u>	<u>1,389,500</u>	<u>1,389,500</u>
Total Assets	<u>5,999,861</u>	<u>2,889,935</u>	<u>7,496,400</u>
Current Liabilities	<u>2,224,063</u>	<u>525,654</u>	<u>3,065,725</u>
Total Liabilities	<u>2,224,063</u>	<u>525,654</u>	<u>3,065,725</u>
Net Position:			
Net Investment in Capital Assets	652,071	-	-
Restricted for Affordable Housing	1,440,962	1,876,169	2,441,345
Restricted for Red Oak Project	221,353	221,006	1,866,042
Restricted for Property Acquisition	950,000	-	-
Unrestricted	<u>511,412</u>	<u>267,106</u>	<u>123,288</u>
Total Net Position	<u>\$ 3,775,798</u>	<u>\$ 2,364,281</u>	<u>\$ 4,430,675</u>

**WOODBIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

The Agency's Net Position increased \$1,411,517 or 59.7% in fiscal year 2021. Key elements of this change include the net of: i) an increase in net investment in capital assets of \$652,071 ii) a decrease of \$435,207 in restricted for affordable housing, iii) an increase of \$347 in restricted for red oak project, iv) an increase of \$950,000 in restricted for acquisition of property held for redevelopment and v) an increase of \$244,306 in unrestricted net position as of June 30, 2021.

Operating Activities – The following table summarizes the revenues, expenses and changes in net position for the fiscal years ended June 30, 2021, 2020 and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUES			
Redevelopers' Reimbursements	\$ 309,638	\$ 486,019	\$ 225,883
Township Contribution	1,150,000	250,000	150,000
Township Contribution - Property Held for Redevelopment	652,071	-	-
Township Affordable Housing Contribution	-	-	1,000,000
Avenel Arts Project Contributions	-	-	7,076,304
Developer Contribution - Red Oak Property Acquisition	-	240,000	-
Rail Project Contributions	2,363,538		
Intergovernmental Grant - CARES Act	41,452	-	-
Miscellaneous Fees	<u>533,000</u>	<u>506,675</u>	<u>345,628</u>
Total Operating Revenues	<u>5,049,699</u>	<u>1,482,694</u>	<u>8,797,815</u>
OPERATING EXPENSES			
Salaries and Wages	220,710	216,461	193,453
Other Expenses	3,419,089	3,343,678	18,937,368
Disposition of Property Held for Redevelopment	-	-	241,555
Total Operating Expenses	<u>3,639,799</u>	<u>3,560,139</u>	<u>19,372,376</u>
OPERATING INCOME (LOSS)	<u>1,409,900</u>	<u>(2,077,445)</u>	<u>(10,574,561)</u>
NON-OPERATING REVENUES			
Interest Income	<u>1,617</u>	<u>11,051</u>	<u>49,195</u>
Total Non-Operating Revenues	<u>1,617</u>	<u>11,051</u>	<u>49,195</u>
CHANGE IN NET POSITION	1,411,517	(2,066,394)	(10,525,366)
NET POSITION, BEGINNING OF YEAR	<u>2,364,281</u>	<u>4,430,675</u>	<u>14,956,041</u>
NET POSITION, END OF YEAR	<u>\$ 3,775,798</u>	<u>\$ 2,364,281</u>	<u>\$ 4,430,675</u>

**WOODBIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

Operating Revenues increased \$3,567,005 or 240.6% in fiscal year 2021 mainly due to the net result of the following: i) decreased redeveloper reimbursements; ii) increased Township contributions and iii) increased amounts received for costs associated with the Raritan Center North American Beverage Packing Company, LLC Rail Facility project ("Rail Project").

Operating Expenses increased \$79,660 or 2.2% in fiscal year 2021 mainly due to the net result of the following: i) decreased expenses related to the Avenel Arts Center and Red Oak (Stern Tower) projects; ii) decreased redeveloper expenses; and iii) increased expenses related to the Rail Project.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Agency had the following capital assets as of June 30, 2021, 2020 and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Property Held for Redevelopment	\$ <u>652,071</u>	\$ <u>-</u>	\$ <u>-</u>

Debt

The Agency had no outstanding debt at June 30, 2021, 2020 and 2019.

OTHER FINANCIAL INFORMATION

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency has committed itself to financial excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

The budget for the fiscal year ended June 30, 2021 was approved by the Division of Local Government Services and adopted by the Agency.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Township of Woodbridge, New Jersey citizens and redevelopers with a general overview of the Agency's finances to demonstrate the Woodbridge Redevelopment Agency's accountability for the revenues it receives. If you have questions about this report or need additional financial information, contact the office of the Executive Director at One Main Street, Woodbridge, New Jersey 07095.

FINANCIAL STATEMENTS

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Unrestricted Current Assets		
Cash and Cash Equivalents	\$ <u>1,645,301</u>	\$ <u>931,507</u>
Total Unrestricted Current Assets	<u>1,645,301</u>	<u>931,507</u>
Restricted Current Assets		
Escrow Account		
Cash and Cash Equivalents	399,381	285,369
Affordable Housing Account		
Cash and Cash Equivalents	51,462	51,598
Red Oak Project Construction Account		
Cash and Cash Equivalents	221,353	221,006
Rail Project Account		
Cash and Cash Equivalents	911,787	-
Intergovernmental Grants Receivable	718,345	-
Escrow Deposits Receivable	<u>10,661</u>	<u>10,955</u>
Total Restricted Current Assets	<u>2,312,989</u>	<u>568,928</u>
Total Current Assets	<u>3,958,290</u>	<u>1,500,435</u>
Noncurrent Assets		
Loans Receivable	<u>1,389,500</u>	<u>1,389,500</u>
Capital Assets		
Property Held for Redevelopment	<u>652,071</u>	<u>-</u>
Total Capital Assets	<u>652,071</u>	<u>-</u>
Total Noncurrent Assets	<u>2,041,571</u>	<u>1,389,500</u>
Total Assets	<u>5,999,861</u>	<u>2,889,935</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current Liabilities (Payable from Unrestricted Assets)		
Accounts Payable	\$ 49,749	\$ 94,717
Unearned Revenue	<u>135,526</u>	<u>135,526</u>
Total Current Liabilities (Payable from Unrestricted Assets)	<u>185,275</u>	<u>230,243</u>
Current Liabilities (Payable from Restricted Assets)		
Accounts Payable	336,138	54,199
Escrow Deposits Payable	358,137	241,212
Unearned Revenue	551,733	-
Other Liabilities	<u>792,780</u>	<u>-</u>
Total Current Liabilities (Payable from Restricted Assets)	<u>2,038,788</u>	<u>295,411</u>
Total Current Liabilities	<u>2,224,063</u>	<u>525,654</u>
NET POSITION		
Net Investment in Capital Assets	652,071	-
Restricted For:		
Affordable Housing	1,440,962	1,876,169
Red Oak Project	221,353	221,006
Acquisition of Property Held for Redevelopment	950,000	-
Unrestricted	<u>511,412</u>	<u>267,106</u>
Total Net Position	<u>\$ 3,775,798</u>	<u>\$ 2,364,281</u>

**WOODBRIIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Redeveloper Reimbursements	\$ 309,638	\$ 486,019
Township Contribution	1,150,000	250,000
Township Contribution - Property Held for Redevelopment	652,071	-
Rail Project Contributions:		
Redeveloper Contribution	236,354	-
Intergovernmental Grant - NJ DOT	2,127,184	-
Intergovernment Grant - CARES Act	41,452	-
Developer Contribution - Red Oak Project Property Acquisition	-	240,000
Miscellaneous Fees	<u>533,000</u>	<u>506,675</u>
 Total Operating Revenues	 <u>5,049,699</u>	 <u>1,482,694</u>
OPERATING EXPENSES		
Salaries and Wages	220,710	216,461
Other Expenses		
Avenel Arts Center Expenses	-	158,925
Red Oak Project Expenses	-	1,887,684
Rail Project Expenses	2,363,538	-
Affordable Housing Expenses	585,416	564,929
Redeveloper Expenses	309,638	486,019
Miscellaneous	<u>160,497</u>	<u>246,121</u>
 Total Operating Expenses	 <u>3,639,799</u>	 <u>3,560,139</u>
OPERATING INCOME (LOSS)	<u>1,409,900</u>	<u>(2,077,445)</u>
NON-OPERATING REVENUES		
Interest Income	<u>1,617</u>	<u>11,051</u>
 Total Non-Operating Revenues	 <u>1,617</u>	 <u>11,051</u>
CHANGE IN NET POSITION	1,411,517	(2,066,394)
Total Net Position, Beginning of Year	<u>2,364,281</u>	<u>4,430,675</u>
Total Net Position, End of Year	<u>\$ 3,775,798</u>	<u>\$ 2,364,281</u>

**WOODBRIIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Redevelopers Reimbursements	\$ 426,833	\$ 284,211
Cash Received from Developer - Property Acquisition	-	240,000
Cash Received from Developer - Rail Project	700,000	-
Cash Received from Municipal Contribution	1,150,000	250,000
Cash Received from Intergovernmental Grants	1,450,291	-
Cash Received from Miscellaneous Fees	533,000	506,675
Cash Paid for Providing Services	(2,301,251)	(5,681,360)
Cash Paid for Employees	<u>(220,710)</u>	<u>(216,461)</u>
Net Cash Provided by (Used for) Operating Activities	<u>1,738,163</u>	<u>(4,616,935)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest Received from Escrow Deposits	<u>24</u>	<u>25</u>
Net Cash Provided by NonCapital Financing Activities	<u>24</u>	<u>25</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>1,617</u>	<u>11,051</u>
Net Cash Provided by Investing Activities	<u>1,617</u>	<u>11,051</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,739,804	(4,605,859)
Cash and Cash Equivalents, Beginning of Year	<u>1,489,480</u>	<u>6,095,339</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,229,284</u>	<u>\$ 1,489,480</u>
ANALYSIS OF BALANCE AT JUNE 30,		
Unrestricted - Cash and Cash Equivalents	\$ 1,645,301	\$ 931,507
Restricted - Cash and Cash Equivalents	<u>1,583,983</u>	<u>557,973</u>
	<u>\$ 3,229,284</u>	<u>\$ 1,489,480</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ 1,409,900	\$ (2,077,445)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Decrease in Escrow Deposits Receivable	294	606
(Increase) in Intergovernmental Grants Receivable	(718,345)	-
(Increase) Decrease in Property Held for Redevelopment	(652,071)	-
Increase (Decrease) in Accounts Payable	236,971	(2,337,682)
Increase (Decrease) in Escrow Deposits Payable	116,901	(202,414)
Increase in Unearned Revenue	551,733	-
Increase in Other Liabilities	<u>792,780</u>	<u>-</u>
Total Adjustments	<u>328,263</u>	<u>(2,539,490)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,738,163</u>	<u>\$ (4,616,935)</u>

NOTES TO THE FINANCIAL STATEMENTS

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity and Activities

The Woodbridge Redevelopment Agency (the "Agency") is a public body corporate and politic of the State of New Jersey. The Agency was created by Township ordinance pursuant to the provisions of N.J.S.A. 40A:12A-1, et seq., for the purpose of carrying out the redevelopment plans for the Township of Woodbridge. The Agency is empowered to exercise public and essential government functions, including acquisition, condemnation, clearance, renovation and redevelopment of property in designated blighted areas and to carry out redevelopment plans for the Township of Woodbridge.

The Agency is governed by a Board of Commissioners (the "Board") consisting of seven members, who are appointed by the Mayor with the advice and consent of the Township Council. The Board of Commissioners determines policy actions, approves resolutions and selects an executive director to be responsible for the overall operation of the Agency.

On August 5, 1992, the Legislature of the State of New Jersey adopted the Local Redevelopment and Housing Law (NJSA 40A:12A-1 et. seq.) which became effective on a retroactive basis to January 1, 1992. This law requires all redevelopment agencies to be subject to the provisions of the "Local Authorities Fiscal Control Law". As a result of this legislation, the Woodbridge Redevelopment Agency is subject to the laws, rules and regulations promulgated for Authorities in the State of New Jersey and must report to the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Woodbridge Redevelopment Agency includes in its financial statements the primary government and those component units for which the primary government is financially accountable. Component units are legally separate organizations for which the Agency is financially accountable or other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Agency is financially accountable for an organization if the Agency appoints a voting majority of the organization's board, and (1) the Agency is able to significantly influence the programs or services performed or provided by the organization; or (2) the Agency is legally entitled to or can otherwise access the organization's resources; the Agency is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the Agency is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Agency in that the Agency approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Agency has no component units. The Agency would be includable as a component unit of the Township of Woodbridge on the basis of such criteria.

B. New Accounting Standards

The Agency did not adopt any new GASB Statements during the fiscal years ended June 30, 2021 and 2020.

Accounting standards that the Authority is currently reviewing for its potential impact on the financial statements include:

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Agency are organized and operated on the basis of funds. The agency maintains an Enterprise Fund to account for its operations. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related, legal and contractual provisions. A description of the Agency's fund type it maintains to account for its financial transactions is as follows:

Proprietary Fund Types – This fund type accounts for operations that are organized to be self-supporting and includes Enterprise Funds. An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the entity has decided that the periodic determination of revenues earned, costs incurred and/or net income is appropriate for management accountability purposes.

The Agency's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Agency has elected not to follow FASB guidance issued subsequent to December 1, 1989.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of operations and services and administrative expenses. The Agency considers transactions pertaining to property held for redevelopment to be operating revenues and expenses since these transactions are connected with its principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Position

1. **Cash, Cash Equivalents and Investments** – The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1.
2. **Restricted Assets** – Certain assets are classified restricted because they are maintained in separate bank accounts and their use is limited as the result of certain agreements entered into between the Agency and third parties.
3. **Unearned Revenue** – Grant funds and related program income, redeveloper and developer fees received, but not earned at year end, are reported as unearned revenue. Additionally, deposits received from purchases of Agency or City assets whereby contract requirements are not satisfied as of the date of audit are considered unearned revenue.
4. **Net Position** – In the statement of net position, there are three classes of net position:
 - **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.
 - **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
 - **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.
5. **Use of Estimates** – The preparation of financial statements requires management of the Agency to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. Budgetary Information

An annual operating budget is prepared and adopted each fiscal year by the Agency. The budget is prepared in accordance with the Budget Manual for Local Authorities as promulgated by the Division of Local Government Services which differs in certain respects from accounting principles generally accepted in the United States of America. The Agency may at their discretion modify the budget subsequent to adoption. The legal level of budget control is defined in the Agency as the current budget plus other available funds. Unencumbered appropriations lapse at year-end.

F. Revenue Recognition

The Township's subsidies to the Agency are recognized as operating revenue when they become available in the Township's budget. Grants received are recognized as revenue when the resources are expended for the purpose specified in the grant agreement. Grant funds received and the related program income not yet expended are reported as unearned revenue.

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 DEPOSITS AND INVESTMENTS

Cash Deposits – The Agency's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Authority is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lessor of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021 and 2020, the book value of the Agency's deposits were \$3,229,284 and \$1,489,480, respectively, and the bank balance of the Agency's cash and deposits amounted to \$3,233,454 and \$1,698,901, respectively.

The Agency's deposits which are displayed on the balance sheet as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured		
Restricted	\$1,586,851	\$604,523
Unrestricted	<u>1,646,603</u>	<u>1,094,378</u>
	<u>\$3,233,454</u>	<u>\$1,698,901</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Agency does not have a formal policy for custodial credit risk. As of June 30, 2021 and 2020, none of the Agency's bank balances were exposed to custodial credit risk.

Investments – The Agency is permitted to invest unrestricted operating funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Agency or bonds or other obligations of the school districts which are part of the Agency or school districts located within the Agency, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e). As of June 30, 2021 and 2020 the Agency has no outstanding investments.

NOTE 3 LOANS RECEIVABLE

The Agency entered into a loan agreement on December 22, 2017 with Cedar Meadows Housing Association for an amount not to exceed \$2,000,000. As of June 30, 2021 and 2020, the principal amount of the loan outstanding is \$1,389,500 and shall bear no interest. A revised loan agreement for the actual amount has not been prepared. Principal on the loan shall be repaid to the Agency on December 22, 2047. No principal payments are due under this loan prior to December 22, 2047.

NOTE 4 CAPITAL ASSETS

The Agency had the following capital assets activity for the year ended June 30, 2021.

	Balance July 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2021</u>
<u>2021</u>				
Capital assets, not being depreciated:				
Property Held for Redevelopment	\$ -	\$ 652,071	\$ -	\$ 652,071
Total capital assets, not being depreciated	<u>-</u>	<u>652,071</u>	<u>-</u>	<u>652,071</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ 652,071</u>	<u>\$ -</u>	<u>\$ 652,071</u>

The Agency had no capital assets activity for the year ended June 30, 2020.

**WOODBIDGE REDEVELOPMENT AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 5 CONSTRUCTION COMMITMENTS

As of June 30, 2021, the Agency had the following commitments with respect to unfinished construction projects:

	Balance July 1, 2020	Original Contract Award	Change Orders	Paid or Charged	Balance, June 30, 2021	Estimated Date of Completion
<u>2021</u>						
NJ DOT Rail Project	\$ -	\$ 3,711,320	\$ 508,745	\$ 1,482,671	\$ 2,737,394	2022

NOTE 6 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the cost-sharing contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees. Employees of the Woodbridge Redevelopment Agency who are eligible for pension coverage are enrolled in the Township's Public Employees Retirement System (PERS) pension plan. Therefore, the Agency was not required to directly contribute for normal cost pension contributions.

Post-Retirement Medical Benefits

The Agency currently does not provide employer paid post-retirement medical benefits to its active or retired employees.

NOTE 7 RISK MANAGEMENT

The Agency is exposed to various risks of loss related to general liability, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is included in the Township of Woodbridge's insurance policy to guard against these events which are intended to provide minimum exposure to the Agency should they occur.

NOTE 8 INTERLOCAL AGREEMENT

The Township of Woodbridge and the Agency have entered into an Interlocal Agreement during 2007 for the purpose of the Township supporting the Agency in various ways to facilitate the Agency's redevelopment efforts. The term of this Interlocal Agreement shall commence retroactively to January 1, 2007 and shall conclude upon the earlier of (i) termination by the Township in writing to the Agency, or (ii) the Agency determining that it is able to fund its operation and terminating the Agreement.

NOTE 9 OTHER MATTERS

In fiscal year 2013 the Agency received \$2,600,000 from the sale of property held for redevelopment. The proceeds of this sale are to be utilized to develop affordable housing in connection with the Camel Creek Rehabilitation Plan. In fiscal year 2019 the Township contributed an additional \$1,000,000 toward the Camel Creek Rehabilitation Plan. The cumulative affordable housing expenses incurred by the Agency for the fiscal years ended June 30, 2021 and 2020 for this project was \$3,750,218 and \$3,164,802, respectively.

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 9 OTHER MATTERS (Continued)

On April 5, 2016, the Township of Woodbridge and the Agency entered in a Shared Service Agreement related to the administration of the Township's abandoned properties. The Agency shall provide the following services under this agreement: i) identify and inventory abandoned properties located in the Township (referred to as the "Abandoned Property List"); ii) provide any and all notices required by state statute; iii) provide for property inspections and registration of abandoned properties including the collection of fees and penalties; iv) establish rules and procedures governing appeals challenging the inclusion of any property on the Abandoned Property List; v) exercise available legal remedies associated with the Abandoned Property List; and vi) maintain reports, records and accounts of all properties included on the Abandoned Property List.

On April 13, 2018, the Township of Woodbridge, the Agency, the Housing Authority of the Township of Woodbridge and Wick Redevelopment Group Woodbridge, LLC (the "Redeveloper") entered into a redevelopment agreement which contemplates two (2) projects to be constructed by the Redeveloper, one on the Red Oak property and the other on the Stern Tower property. The Red Oak project to be constructed on the Red Oak property will include a 60-unit residential building for the current residents of the Stern Tower property. Once the Stern Tower property is vacated and the current residents are relocated to the new 60-unit residential building on the Red Oak property, it shall be conveyed by the Agency to the Redeveloper. The Redeveloper shall then demolish the existing structure on the Stern Tower property and construct a maximum 138-unit residential building, consisting of 117 market rate units and 21 affordable housing units and parking. The cumulative expenses incurred by the Agency for the fiscal years ended June 30, 2021 and 2020 for the Red Oak project was \$12,224,324 and \$12,224,324, respectively.

On June 17, 2020, the Agency entered into a grant agreement with the State of New Jersey to receive a grant in the amount of \$7,609,062. The grant proceeds are to be utilized for a freight rail project in conjunction with the "Raritan Center North American Beverage Packing Company, LLC Rail Facility" project (referred to as the "Rail Project"). The terms of the grant require the Agency provide 10% in matching funds in the amount of \$845,451. In January, 2021, the Agency entered into a Funding Agreement with American Beverage Packers Urban Renewal, LLC ("American Beverage Packers") to provide the 10% matching funds required under the grant agreement. As of June 30, 2021, American Beverage Packers has provided \$788,087 of the matching funds required to the Agency. The cumulative expenses incurred by the Agency for the fiscal year ended June 30, 2021 for the Rail Project was \$2,363,538.

NOTE 10 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the "Governor") of the State of New Jersey (the "State") declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 10 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to subsidize COVID-19 testing and vaccination programs. It is too early to predict if the legislation will have its intended affect.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Agency cannot predict how the outbreak will impact the financial condition or operations of the Agency, or if there will be any impact on the assessed values of property within Agency. The Agency cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in Agency revenues.

SUPPLEMENTARY SCHEDULE

WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
BUDGETARY BASIS

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021 Modified Budget	2021 Actual	Variance Excess (Deficit)	2020 Actual
OPERATING REVENUES				
Administrative Fees	\$ 450,000	\$ 480,000	\$ 30,000	\$ 413,537
Abandoned Property Registration Fees	100,000	53,000	(47,000)	93,000
Township Contribution	950,000	950,000	-	-
Redeveloper Contribution	300,000	236,354	(63,646)	-
Intergovernmental Grant - NJ DOT Rail Project	2,700,000	2,127,184	(572,816)	-
Intergovernmental Grant - CARES Act	-	41,452	41,452	-
Miscellaneous Revenues	-	-	-	138
	<u>4,500,000</u>	<u>3,887,990</u>	<u>(612,010)</u>	<u>506,675</u>
NON-OPERATING REVENUES				
Township Contribution - Local Subsidy (A)	150,000	200,000	50,000	250,000
Interest	100	748	648	8,335
	<u>150,100</u>	<u>200,748</u>	<u>50,648</u>	<u>258,335</u>
	<u>150,100</u>	<u>200,748</u>	<u>50,648</u>	<u>258,335</u>
Total Revenues	<u>\$ 4,650,100</u>	<u>\$ 4,088,738</u>	<u>\$ (561,362)</u>	<u>\$ 765,010</u>
OPERATING APPROPRIATIONS				
ADMINISTRATION				
Salaries and Wages	\$ 225,100	\$ 220,710	\$ 4,390	\$ 216,461
Other Expenses	7,500	1,322	6,178	80,838
	<u>232,600</u>	<u>222,032</u>	<u>10,568</u>	<u>297,299</u>
Total Administration	<u>232,600</u>	<u>222,032</u>	<u>10,568</u>	<u>297,299</u>
COST OF PROVIDING SERVICES				
NJ DOT Rail Project	3,000,000	2,363,538	636,462	-
Acquisition of Property Held for Redevelopment	950,000	950,000	-	-
Other Expenses	467,500	159,175	308,325	165,283
	<u>4,417,500</u>	<u>3,472,713</u>	<u>944,787</u>	<u>165,283</u>
Total Cost of Providing Services	<u>4,417,500</u>	<u>3,472,713</u>	<u>944,787</u>	<u>165,283</u>
	<u>4,417,500</u>	<u>3,472,713</u>	<u>944,787</u>	<u>165,283</u>
Total Appropriations	<u>4,650,100</u>	<u>3,694,745</u>	<u>955,355</u>	<u>462,582</u>
	<u>4,650,100</u>	<u>3,694,745</u>	<u>955,355</u>	<u>462,582</u>
Budgetary Income (Balance Forward)	<u>\$ -</u>	<u>\$ 393,993</u>	<u>\$ 393,993</u>	<u>\$ 302,428</u>

(A) The Agency considers this revenue to be an operating revenue for financial reporting purposes.

WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
BUDGETARY BASIS

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021 Modified Budget	2021 Actual	Variance Excess (Deficit)	2020 Actual
Budgetary Income (Brought Forward)	\$ <u> -</u>	\$ 393,993	\$ <u>393,993</u>	\$ 302,428
Reconciliation of Budgetary Income to Change in Net Position - GAAP				
Increases to Budgetary Income:				
Township Contribution - Property Held for Redevelopment		652,071		-
Developer Contribution - Property Held for Redevelopment		-		240,000
Reserve for Acquisition of Property Held for Redevelopment		950,000		-
Redeveloper Reimbursements		309,638		486,019
Interest Earned - Restricted Accounts		869		2,716
Decreases to Budgetary Income:				
Affordable Housing Expenses		(585,416)		(564,929)
Avenel Arts Center Expenses		-		(158,925)
Red Oak Project Expenses		-		(1,887,684)
Redeveloper Expenses		<u>(309,638)</u>		<u>(486,019)</u>
Change in Net Position		<u>\$ 1,411,517</u>		<u>\$ (2,066,394)</u>

GOVERNMENT AUDITING STANDARDS REPORT
AND
SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

Honorable Chairman and Members of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Woodbridge Redevelopment Agency, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Woodbridge Redevelopment Agency's basic financial statements, as listed in the table of contents, and have issued our report thereon dated April 8, 2022.

Internal Control over Financial Reporting

Management of the Woodbridge Redevelopment Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Woodbridge Redevelopment Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Woodbridge Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Woodbridge Redevelopment Agency's internal control.

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


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Woodbridge Redevelopment Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

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 Woodbridge Redevelopment Agency'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 Woodbridge Redevelopment Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
April 8, 2022



LERCH, VINCI & HIGGINS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the Board
Woodbridge Redevelopment Agency
Woodbridge, New Jersey

Report on Compliance for Each Major State Program

We have audited the Woodbridge Redevelopment Agency's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Woodbridge Redevelopment Agency's major state programs for the fiscal year ended June 30, 2021. the Woodbridge Redevelopment Agency's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Woodbridge Redevelopment Agency's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Woodbridge Redevelopment Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Woodbridge Redevelopment Agency's compliance.

Opinion on Each Major State Program

In our opinion, the Woodbridge Redevelopment Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Woodbridge Redevelopment Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Woodbridge Redevelopment Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Woodbridge Redevelopment Agency's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the Woodbridge Redevelopment Agency as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Woodbridge Redevelopment Agency's basic financial statements as listed in the table of contents, and have issued our report thereon dated April 8, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by New Jersey OMB Circular 15-08 and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
April 8, 2022

WOODBIDGE REDEVELOPMENT AGENCY
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Grant Award Amount</u>	<u>Cash Received</u>	<u>Balance, July 1, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, June 30, 2021</u>	<u>Cumulative Expenditures</u>
New Jersey Department of Environmental Protection: NJDOT - Freight Rail Assistance Program	6625345	N/A	\$ 7,609,062	\$ 1,408,839	\$ -	\$ 2,127,184	\$ 2,127,184	\$ -	\$ 2,127,184
						\$ 2,127,184	\$ 2,127,184	\$ -	

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

The accompanying schedule presents the activity of all state financial assistance programs of the Woodbridge Redevelopment Agency. The Agency is defined in Note 1(A) to the Agency's financial statements. All state financial assistance passed through other government agencies is included on the schedules of expenditures of state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule is prepared and presented using the accrual basis of accounting for proprietary funds as required by accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Agency's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Agency's financial statements. Financial assistance revenues are reported in the Agency's financial statements on a basis of accounting described above as follows:

	State <u>Assistance</u>
Rail Project Contributions:	
New Jersey Department of Transportation	\$ <u>2,127,184</u>

NOTE 4 RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule may not necessarily agree with the amounts reported in the related state financial reports due to timing differences between the Agency's fiscal year and grant program year.

**WOODBRIIDGE REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditors' report issued: Unmodified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiency(ies) identified that are
 not considered to be material weaknesses? yes X none reported
- C) Noncompliance material to basic financial
 statements noted? yes X no

Federal Awards Section

Not Applicable

**WOODBRIIDGE REDEVELOPMENT AGENCY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

State Awards

Dollar threshold used to distinguish type A and type B programs: \$ 750,000

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

Type of auditors' report issued on compliance for major programs: Unmodified

Internal Control over major programs:

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

2) Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 15-08? _____ yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
Agreement No: 6625345	NJDOT - Freight Rail Assistance

**WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**WOODBIDGE REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 3 – Schedule of State Award Findings and Responses

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major state programs, as required by New Jersey OMB Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

**WOODBIDGE REDEVELOPMENT AGENCY
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.

ROSTER OF OFFICIALS
AND
GENERAL COMMENTS AND RECOMMENDATIONS

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>Name</u>	<u>Title</u>
Henry Haidacher	Chairperson
Robert Gillespie	Vice-Chairperson
John Ur	Commissioner
Cory S. Spillar	Commissioner
Brian Small	Commissioner
Vincent Coughlin	Commissioner
John E. McCormac	Mayor
Caroline Ehrlich	Executive Director
Marta Darden	Director of Planning
Rose Ruvolo	Chief Accountant
Heather LaMotta	Deputy Executive Director

COMMENTS/RECOMMENDATIONS

There are none.

Appreciation

We desire to express our appreciation of the assistance of the Executive Director and Agency staff during the course of our audit.

Respectfully submitted,



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants