

TOWNSHIP OF MIDDLE

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

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TOWNSHIP OF MIDDLE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Township Committee
Township of Middle
County of Cape May, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Middle, as of December 31, 2022 and 2021, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Middle as of December 31, 2022 and 2021, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2022 and 2021, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Township of Middle 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 of Middle on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility 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* and audit requirements prescribed by the Division of Local Government Services 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, we:

- exercise professional judgement 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Middle's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Middle's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards and schedule of state financial assistance, 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 NJ OMB 15-08 respectively, and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the Township of Middle'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 the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Middle's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

September 29, 2023

EXHIBIT A - CURRENT FUND

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2022	2021
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 8,737,613.82	8,648,353.85
Cash - Change	1,250.00	1,250.00
Total Cash	8,738,863.82	8,649,603.85
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	35,523.55	33,572.18
Total Other Receivables	35,523.55	33,572.18
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	41,601.74	25,299.68
Tax Title and Other Liens	703,377.14	701,653.42
Property Acquired for Taxes - at Assessed Valuation	2,793,475.72	3,716,534.57
Other Liens	2,484.00	2,270.96
Revenue Accounts Receivable	7,061.30	9,607.03
EMS Fees Receivable	-	2,354.72
Due from Water District	-	3,904.55
Due from Special Districts	633.52	-
Interfund Receivable:		
State and Federal Grant Fund	1,568,623.85	620,832.62
Animal Control Fund	44,384.06	40,907.38
Assessment Trust	1,338.77	932.44
Due from Payroll Trust	1,692.46	1,692.46
Trust Other	-	11,311.00
MAC Trust	10,000.00	10,000.00
Tax Title Lien Redemption Trust	-	15,038.25
Total Receivables and Other Assets	5,174,672.56	5,162,339.08
Deferred Charges:		
Overexpenditure of Appropriation	-	7,311.18
Total Deferred Charges	-	7,311.18
Total Regular Fund	13,949,059.93	13,852,826.29
Federal and State Grant Fund:		
Cash	-	40,858.72
Federal and State Grants Receivable	4,931,536.51	3,992,676.34
Total Federal and State Grant Fund	4,931,536.51	4,033,535.06
Total Current Fund	\$ 18,880,596.44	17,886,361.35

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2022</u>	<u>2021</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 680,725.21	425,937.37
Reserve for Encumbrances	329,507.28	346,086.91
Accounts Payable	4,724.73	179,602.01
Prepaid Taxes	1,330,091.57	1,253,701.10
Prepaid Licenses and Fees	25,074.00	78,849.00
Overpaid Taxes	683.05	8,318.29
Local School Tax Payable	2,759,634.59	3,483,081.37
Reserve for Election Funds	1,497.90	447.90
Deposits on Land Sales	-	3,000.00
County Added Tax Payable	44,465.41	43,434.83
Special District Tax Payable	15,414.00	-
Due to Water Districts	11,635.72	-
Due to State:		
Marriage Licenses	-	5,525.00
Reserve for Sale of Municipal Assets	906,000.00	519,373.61
Reserve for Developer Default	128,050.00	-
Reserve for Municipal Relief Aid	183,603.46	-
Due to State of NJ - Vital Statistics	-	25.00
Interfund Payable:		
Other Trust Funds	73,589.00	-
Sewer Operating Fund	177,570.20	177,570.20
	<u>6,672,266.12</u>	<u>6,524,952.59</u>
Reserve for Receivables and Other Assets	5,174,672.56	5,162,339.08
Fund Balance	2,102,121.25	2,165,534.62
Total Regular Fund	<u>13,949,059.93</u>	<u>13,852,826.29</u>
Federal and State Grant Fund:		
Unappropriated Reserves	180,729.19	160,894.11
Appropriated Reserves	2,607,809.24	1,662,844.01
Encumbrances Payable	567,616.94	1,582,207.03
Due to Current Fund	1,568,623.85	620,832.62
Unallocated Grant Receipts	6,757.29	6,757.29
Total Federal and State Grant Fund	<u>4,931,536.51</u>	<u>4,033,535.06</u>
Total Current Fund	<u>\$ 18,880,596.44</u>	<u>17,886,361.35</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2022	2021
Revenue and Other Income Realized		
Fund Balance	\$ 1,700,000.00	1,120,000.00
Miscellaneous Revenue Anticipated	8,990,354.01	9,656,027.02
Receipts from Delinquent Taxes	77,627.88	175,470.46
Receipts from Current Taxes	56,916,555.79	54,834,906.64
Non Budget Revenue	903,624.99	313,104.26
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	451,431.58	887,304.35
Total Income	<u>69,039,594.25</u>	<u>66,986,812.73</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	9,355,493.80	9,290,239.40
Other Expenses	9,645,390.00	8,936,356.78
Deferred Charges & Statutory Expenditures	2,803,634.18	2,716,196.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	227,841.40	233,213.31
Other Expenses	1,564,885.84	1,837,850.38
Capital Improvements	120,000.00	120,000.00
Debt Service	1,286,795.45	1,113,370.06
Local District School Tax	29,733,599.00	30,135,919.00
Special District Taxes	2,965,657.00	2,950,876.50
County Tax	8,459,258.10	7,975,669.23
County Share of Added Tax	44,465.41	43,434.83
Interfund Created	925,958.51	-
Other:		
Senior Citizen Deduction Disallowed Prior Year	-	1,750.00
Refund of Prior Year Revenue	270,028.93	1,310.00
Total Expenditures	<u>67,403,007.62</u>	<u>65,356,185.49</u>
Excess/(Deficit) in Revenue	<u>1,636,586.63</u>	<u>1,630,627.24</u>

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

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2022	2021
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		
Overexpenditure of Appropriation	-	7,311.18
Total Adjustments	-	7,311.18
Statutory Excess to Fund Balance	1,636,586.63	1,637,938.42
Fund Balance January 1	2,165,534.62	1,647,596.20
	3,802,121.25	3,285,534.62
Decreased by:		
Utilization as Anticipated Revenue	1,700,000.00	1,120,000.00
Fund Balance December 31	\$ 2,102,121.25	2,165,534.62

The Accompanying Notes to the Financial Statements are an intergral part of this statement

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 1,700,000.00		1,700,000.00	-
Total Fund Balance Anticipated	<u>1,700,000.00</u>	<u>-</u>	<u>1,700,000.00</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	5,700.00		6,124.00	424.00
Other	30,500.00		18,485.00	(12,015.00)
Fees and Permits	153,000.00		266,163.51	113,163.51
Fines and Costs:				
Municipal Court	103,000.00		109,208.08	6,208.08
Interest and Costs on Taxes	200,000.00		232,866.66	32,866.66
Interest Earned on Investments	17,000.00		22,839.44	5,839.44
Registrar of Vital Statistics - Fees	42,500.00		51,897.45	9,397.45
Trailer Tax	140,000.00		138,180.00	(1,820.00)
Hotel/Motel Tax	60,000.00		53,389.05	(6,610.95)
Ambulance Fees	605,000.00		358,180.82	(246,819.18)
Cable TV and Franchise Fee	318,000.00		326,976.84	8,976.84
Total Section A: Local Revenues	<u>1,674,700.00</u>	<u>-</u>	<u>1,584,310.85</u>	<u>(90,389.15)</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	3,519,743.00		3,519,743.00	-
Garden State Preservation Trust Fund	47,481.00		47,481.00	-
Total Section B: State Aid Without Offsetting Appropriations	<u>3,567,224.00</u>	<u>-</u>	<u>3,567,224.00</u>	<u>-</u>

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	200,000.00		482,602.45	282,602.45
Total Section C: Uniform Construction Code Fees	200,000.00	-	482,602.45	282,602.45
Section D: Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Shared Service Agreements Offset with Appropriations				
Police Officer - Cape May County Technical School	195,441.40		191,613.90	(3,827.50)
Middle Township Fire District #3 - JIF Insurance	17,989.00		17,989.00	-
Middle Township Fire District #2 - JIF Insurance	18,896.00		18,896.00	-
Middle Township Fire District #1 - JIF Insurance	29,484.00		29,601.90	117.90
Total Section D: Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Shared Service Agreements Offset with Appropriations	261,810.40	-	258,100.80	(3,709.60)
Section F: Special Items - Public and Private Programs Off-Set with Appropriations				
Safe and Secure Communities Program		32,400.00	32,400.00	-
Clean Communities Program		57,508.57	57,508.57	-
Bullet Proof Vest Partnership	390.00		390.00	-
Municipal Alliance		16,109.83	16,109.83	-
National Opioid Settlement Fund		6,982.41	6,982.41	-
CDBG - Rehabilitate Housing	163,000.00		163,000.00	-
CDBG - Remove Architectural Barriers	144,000.00		144,000.00	-
NJ DOT - Hand Avenue Extension	150,000.00		150,000.00	-
NJ DOT - Magnolia Avenue	300,000.00		300,000.00	-
NJ DOT - Local Freight Impact Fund - Magnolia Drive		300,000.00	300,000.00	-
Cape May County - Code Blue Grant		25,203.03	25,203.03	-
Cape May County Open Space - Norbury Landing		230,256.00	230,256.00	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	757,390.00	668,459.84	1,425,849.84	-

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section G: Other Special Items				
Borough of Woodbine - Municipal Court - Interfocal	75,771.00		38,643.22	(37,127.78)
Sewer Utility - Management Fee	340,000.00		340,000.00	-
Payment in Lieu of Taxes - Conifer	104,000.00		100,649.36	(3,350.64)
Cape Regional Medical Center Community Service Pmt	264,990.00		195,960.11	(69,029.89)
Reserve to Pay Debt Service	15,662.40		15,662.40	-
American Rescue Plan Act of 2021 - Loss of Revenue	981,350.49		981,350.98	0.49
Total Section G: Other Special Items	<u>1,781,773.89</u>	-	<u>1,672,266.07</u>	<u>(109,507.82)</u>
Total Miscellaneous Revenues:	<u>8,242,898.29</u>	<u>668,459.84</u>	<u>8,990,354.01</u>	<u>78,995.88</u>
Receipts from Delinquent Taxes	<u>165,000.00</u>		<u>77,627.88</u>	<u>(87,372.12)</u>
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	14,604,098.43		15,089,143.33	485,044.90
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>14,604,098.43</u>	-	<u>15,089,143.33</u>	<u>485,044.90</u>
Budget Totals	<u>24,711,996.72</u>	<u>668,459.84</u>	<u>25,857,125.22</u>	<u>476,668.66</u>
Non-Budget Revenues:				
Other Non-Budget Revenues:			<u>903,624.99</u>	<u>903,624.99</u>
	<u>24,711,996.72</u>	<u>668,459.84</u>	<u>26,760,750.21</u>	<u>1,380,293.65</u>

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 56,916,555.79
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Less: Reserve for Tax Appeals Pending	-
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Net Revenue from Collections	56,916,555.79
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Allocated to:

School, County and Other Taxes	42,202,979.51
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Balance for Support of Municipal Budget Appropriations	14,713,576.28
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	375,567.05
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Amount for Support of Municipal Budget Appropriations	15,089,143.33
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 20,693.32
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Tax Title Lien Collections	56,934.56
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Total Receipts from Delinquent Taxes	77,627.88
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Bounced Check Fee	1,194.00
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Southern Coast Regional	32,208.00
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Rent of Municipal Property	15,600.00
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Insurance Reimbursements	56,961.30
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Copies	1,041.03
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Interlocal Board of Ed. Trash Removal	30,698.56
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JIF Refunds	173,920.00
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Police Miscellaneous	5,060.56
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Board of Ed Trash Collection	15,000.00
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Settlement Payment	11,151.30
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Miscellaneous	56,190.01
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Land Sales	500,929.61
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Homestead Rebate Admin Fees	861.00
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Senior Citizen and Veteran Administration Fee	2,809.62
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Total Miscellaneous Revenue Not Anticipated:	903,624.99
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**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
\$	179,000.00	191,000.00	189,919.92			1,080.08	
General Administration	48,000.00	51,000.00	48,451.37	2,437.95		110.68	
Salaries and Wages							
Other Expenses							
Human Resources - Personnel	123,500.00	124,500.00	123,621.19	1,336.98		878.81	
Salaries and Wages	31,000.00	31,000.00	25,110.11			4,552.91	
Other Expenses							
Mayor and Committee	52,320.00	52,350.00	52,320.06			29.94	
Salaries and Wages							
Township Clerk	185,000.00	185,000.00	170,348.46			14,651.54	
Salaries and Wages							
Other Expenses							
Codification of Ordinances	8,600.00	8,600.00	3,302.00			5,298.00	
Miscellaneous Other Expenses	38,000.00	38,000.00	28,951.67	867.49		8,180.84	
Financial Administration	159,000.00	159,500.00	158,013.70			1,486.30	
Salaries and Wages	53,000.00	53,000.00	48,648.13	4,179.88		171.99	
Other Expenses							
Information Technology	78,750.00	78,750.00	77,956.50			793.50	
Salaries and Wages	13,400.00	22,100.00	11,890.50			10,209.50	
Other Expenses							
Audit Services	32,500.00	32,500.00	32,500.00			-	
Other Expenses							
Collection of Taxes	205,250.00	205,250.00	191,850.93			13,399.07	
Salaries and Wages	33,900.00	33,900.00	32,874.11	1.00		1,024.89	
Other Expenses							
Assessment of Taxes	162,501.00	168,501.00	168,339.05			161.95	
Salaries and Wages	44,000.00	38,000.00	23,062.74	2,192.97		12,744.29	
Other Expenses							

**OPERATIONS WITHIN "CAPS"
GENERAL GOVERNMENT:**

General Administration	
Salaries and Wages	
Other Expenses	
Human Resources - Personnel	
Salaries and Wages	
Other Expenses	
Mayor and Committee	
Salaries and Wages	
Township Clerk	
Salaries and Wages	
Other Expenses	
Codification of Ordinances	
Miscellaneous Other Expenses	
Financial Administration	
Salaries and Wages	
Other Expenses	
Information Technology	
Salaries and Wages	
Other Expenses	
Audit Services	
Other Expenses	
Collection of Taxes	
Salaries and Wages	
Other Expenses	
Assessment of Taxes	
Salaries and Wages	
Other Expenses	

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
Liquidation of Tax Title Liens and Foreclosed Property							
Other Expenses	30,000.00	35,000.00	34,895.80	104.20			
Legal Services							
Other Expenses	310,000.00	316,000.00	279,215.13	30,886.87	5,898.00		
Engineering Services							
Other Expenses	160,000.00	110,000.00	36,866.36	31,123.07	42,010.57		
Grants Administration							
Salaries and Wages	55,000.00	58,000.00	55,037.18	2,962.82			
Other Expenses	26,500.00	26,500.00	6,935.64	19,564.36			
Public Affairs							
Other Expenses	10,000.00	2,000.00		2,000.00			
LAND USE ADMINISTRATION							
Planning Board							
Smart Growth Expense	5,000.00	5,000.00		5,000.00			
Zoning Board of Adjustment							
Salaries and Wages	122,200.00	122,200.00	115,282.52	6,917.48			
Other Expenses	46,000.00	46,000.00	28,772.55	1,676.07	15,551.38		
Municipal Court							
Salaries and Wages	257,276.80	257,276.80	237,307.37	19,969.43			
Other Expenses	30,730.00	30,730.00	22,774.13	991.75	6,964.12		
Public Defender							
Other Expenses	18,000.00	18,000.00	18,000.00	-			
INSURANCE							
General Liability Insurance	470,000.00	410,000.00	395,556.34	14,443.66			
Workers Compensation Insurance	530,000.00	355,000.00	330,453.00	24,547.00			
Group Insurance Plan for Employees	3,419,470.00	3,454,470.00	3,407,761.26	19,643.40	27,065.34		
Health Benefit Waivers							
Salaries and Wages	120,000.00	82,770.00	69,584.52	13,185.48			

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget				Encumbered			
PUBLIC SAFETY								
Police								
Salaries and Wages	4,418,649.51		4,283,649.51	4,246,877.43		36,772.08		
Salaries and Wages - American Rescue Plan	981,350.49		981,350.49	981,350.49		-		
Other Expenses	353,455.00		698,455.00	607,855.40	84,906.71	5,692.89		
Police and Radio Communications								
Salaries and Wages	147,000.00		97,300.00	95,549.55		1,750.45		
Other Expenses	7,000.00		7,000.00	6,634.75		365.25		
Dispatch Services			345,000.00					
Contribution to First Aid Squads	80,000.00		40,000.00	40,000.00		-		345,000.00
Rescue Squad								
Salaries and Wages	252,595.00		202,595.00	197,345.54		5,249.46		
Other Expenses	100,000.00		88,000.00	60,843.38		27,156.62		
Emergency Management Services								
Other Expenses	1,500.00		1,500.00	994.76		505.24		
Municipal Prosecutor								
Other Expenses	36,000.00		36,000.00	36,000.00		-		
PUBLIC WORKS								
Road Repair and Maintenance								
Salaries and Wages	1,180,000.00		1,280,000.00	1,277,584.01		2,415.99		
Other Expenses	142,150.00		142,150.00	89,304.85	15,844.35	37,000.80		
Motor Pool	264,500.00		264,500.00	239,230.24	25,253.02	16.74		
Storm Recovery								
Other Expenses	22,000.00		22,000.00	21,695.00		305.00		
Shade Tree Commission								
Other Expenses	750.00		750.00	77.90		672.10		
Other Public Works Functions (Gypsy Moth)								
Other Expenses	25,000.00		25,000.00	22,728.34		2,271.66		
Garbage and Trash Removal - Contractual	500,000.00		500,000.00	465,585.18	25,827.82	8,587.00		
Recycling Contractual	500,000.00		500,000.00	465,585.18	25,827.82	8,587.00		
Public Buildings and Grounds								
Other Expenses	425,000.00		425,000.00	356,943.20	24,300.52	43,756.28		

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

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
HEALTH AND WELFARE							
Board of Health							
Other Expenses	850.00	850.00				850.00	
Animal Control							
Salaries and Wages	68,001.00	69,001.00	68,654.27			346.73	
Other Expenses	8,000.00	8,000.00	5,920.08			2,079.92	
Animal Control - Animal Shelter							
Contractual	174,685.00	174,685.00	174,684.06		0.02	0.92	
CODE ENFORCEMENT ADMINISTRATION							
Code Enforcement Officer							
Salaries and Wages	74,000.00	74,000.00	72,142.88			1,857.12	
Other Expenses	5,000.00	5,000.00	3,233.30		200.00	1,566.70	
Demolition of Substandard Buildings							
Other Expenses	10,000.00	2,000.00				2,000.00	
RECREATION AND EDUCATION							
Recreation							
Salaries and Wages	348,000.00	356,500.00	354,667.34			1,832.66	
Other Expenses	55,000.00	55,000.00	37,182.83		10,048.80	7,768.37	
Senior Center							
Salaries and Wages	53,000.00	53,000.00	49,269.03			3,730.97	
Other Expenses	20,000.00	20,000.00	17,669.44		799.28	1,531.28	
Beach Restoration							
Other Expenses	100.00	100.00				100.00	
UNIFORM CONSTRUCTION CODE							
State Uniform Construction Code							
Construction Official							
Salaries and Wages	70,000.00	73,000.00	72,357.47			642.53	
Other Expenses	12,000.00	12,000.00	11,710.13			289.87	
Contractual	54,000.00	54,000.00	54,000.00			-	
Fire Protection							
Other Expenses	5,000.00	5,000.00				5,000.00	
UNCLASSIFIED							
Terminal Leave	200,000.00	200,000.00	200,000.00			-	

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UTILITY EXPENSES AND BULK PURCHASES						
Water	20,000.00	20,000.00	19,160.28	786.67	53.05	
Electricity	360,000.00	365,000.00	363,610.06		1,389.94	
Telephone	100,000.00	100,000.00	77,023.28	3,930.41	19,046.31	
Internet	18,000.00	30,500.00	30,290.87	205.29	3.84	
Natural Gas	45,000.00	75,000.00	66,155.18	7,623.04	1,221.78	
Gasoline	200,000.00	292,500.00	288,838.44	2,178.10	1,483.46	
Street Lighting	8,600.00	8,600.00	2,006.72		6,593.28	
SANITARY LANDFILL DISPOSAL COSTS:						
Sanitary Landfill - Contractual	550,000.00	550,000.00	514,558.63		35,441.37	
TOTAL OPERATIONS WITHIN "CAPS"	18,954,083.80	19,345,883.80	18,120,921.73	323,069.28	556,892.79	345,000.00
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	18,954,083.80	19,345,883.80	18,120,921.73	323,069.28	556,892.79	345,000.00
Detail:						
Salaries and Wages	9,492,393.80	9,355,493.80	9,225,379.41	-	130,114.39	-
Other Expenses	9,461,690.00	9,990,390.00	8,895,542.32	323,069.28	426,778.40	345,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
Overexpenditure of Appropriations	7,311.18	7,311.18	7,311.18		-	
Victoria A. Steffer, Esq.	49,615.00	49,615.00	49,615.00		-	
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	481,236.00	481,236.00	481,184.46		51.54	
Social Security System (O.A.S.I.)	780,000.00	720,000.00	688,902.85		31,097.15	
Police and Firemen's Retirement System	1,507,972.00	1,507,972.00	1,507,972.00		-	
Defined Contribution Retirement Program	22,500.00	22,500.00	13,110.27		9,389.73	
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00		-	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	2,863,634.18	2,803,634.18	2,763,095.76	-	40,538.42	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	21,817,717.98	22,149,517.98	20,884,017.49	323,069.28	597,431.21	345,000.00

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"				6,437.00	-	
SFSP Appropriation	6,437.00	6,437.00				
Cape May County Share PILOT	5,200.00	5,200.00			5,200.00	
Local School District Share PILOT	58,000.00	58,000.00			58,000.00	
Fire District #1 Share PILOT	2,700.00	2,700.00			2,700.00	
Fire District #2 Share PILOT	1,200.00	1,200.00			1,200.00	
Insurance - Employee Group Health	31,530.00	31,530.00	31,530.00			
Interlocal - Cape May County Technical School						
Police						
Salaries and Wages	195,441.40	195,441.40	195,441.40			
Interlocal - Middle Township Fire District #1						
JIF Insurance	29,484.00	29,484.00	29,484.00			
Interlocal - Middle Township Fire District #2						
JIF Insurance	18,896.00	18,896.00	18,896.00			
Interlocal - Middle Township Fire District #3						
JIF Insurance	17,989.00	17,989.00	17,989.00			
	<u>366,877.40</u>	<u>366,877.40</u>	<u>293,340.40</u>	<u>6,437.00</u>	<u>67,100.00</u>	<u>-</u>
(A) Public and Private Programs Off-Set by Revenues						
Clean Communities Program		57,508.57	57,508.57			
Safe and Secure Communities Program		32,400.00	32,400.00			
Municipal Alliance		16,109.83	16,109.83			
Bullet Proof Vest Partnership-Federal	390.00	390.00	390.00			
CDBG - Rehabilitate Housing	163,000.00	163,000.00	163,000.00			
CDBG - Remove Architectural Barriers	144,000.00	144,000.00	144,000.00			
NJ DOT - Hand Avenue Extension	150,000.00	150,000.00	150,000.00			
NJ DOT - Magnolia Avenue	300,000.00	300,000.00	300,000.00			
NJ DOT - Local Freight Impact Fund - Magnolia Drive	300,000.00	300,000.00	300,000.00			
National Opioid Settlement Fund		6,982.41	6,982.41			
Cape May County Code Blue Warming Centers		25,203.03	25,203.03			
Cape May County Open Space - Norbury Landing		230,256.00	230,256.00			
Total Public and Private Programs Off-Set by Revenues	<u>757,390.00</u>	<u>1,425,849.84</u>	<u>1,425,849.84</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
Total Operations - Excluded from "CAPS"	1,124,267.40	1,792,727.24	1,719,190.24	6,437.00	67,100.00	-	
Detail:							
Salaries and Wages	195,441.40	227,841.40	227,841.40	-	-	-	
Other Expenses	928,826.00	1,564,885.84	1,491,348.84	6,437.00	67,100.00	-	
(C) Capital Improvements							
Capital Improvement Fund	80,000.00	80,000.00	80,000.00	-	-	-	
Improvements to Municipal Buildings and Grounds	40,000.00	40,000.00	23,806.00	-	16,194.00	-	
Total Capital Improvements	120,000.00	120,000.00	103,806.00	-	16,194.00	-	
(D) Debt Service							
Payment of Bond Principal	730,000.00	730,000.00	730,000.00	-	-	-	
Payment of Bond Anticipation Notes and Capital Notes	280,000.00	280,000.00	280,000.00	-	-	-	
Interest on Bonds	128,731.25	128,731.25	128,731.25	-	-	-	
Interest on Notes	20,800.00	20,800.00	20,800.00	-	-	-	
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	75,367.90	76,567.90	76,525.20	-	42.70	-	
New Jersey Environmental Infrastructure Trust Loan:							
Principal	24,420.99	24,420.99	23,954.20	-	466.79	-	
Interest	712.50	712.50	712.50	-	-	-	
Capital Lease Obligations:							
Principal	13,550.50	25,550.50	25,210.15	1.00	-	339.35	
Interest	861.15	861.15	861.15	-	-	-	
Total Debt Service	1,274,444.29	1,287,644.29	1,286,794.45	1.00	-	848.84	
(E) Deferred Charges							
None	-	-	-	-	-	-	
Total Deferred Charges	-	-	-	-	-	-	

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	2,518,711.69	3,200,371.53	3,109,790.69	6,438.00	848.84
SUBTOTAL GENERAL APPROPRIATIONS	24,336,429.67	25,349,889.51	23,993,808.18	329,507.28	345,848.84
(M) Reserve for Uncollected Taxes	375,567.05	375,567.05	375,567.05	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 24,711,996.72</u>	<u>25,725,456.56</u>	<u>24,369,375.23</u>	<u>329,507.28</u>	<u>345,848.84</u>
Budget		\$ 24,711,996.72		Cancelled	\$ 345,848.84
Appropriations by 40A:4-87		668,459.84		Overexpended	-
Emergency Appropriations		<u>345,000.00</u>			<u>345,848.84</u>
		<u>25,725,456.56</u>			
Reserve for Uncollected Taxes		\$ 375,567.05			
Federal and State Grants		1,425,849.84			
Deferred Charges		7,311.18			
Disbursements		22,560,647.16			
		<u>24,369,375.23</u>			

EXHIBIT B - TRUST FUND

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
<u>Animal Control Fund</u>		
Cash	\$ 53,596.26	51,694.38
	<u>53,596.26</u>	<u>51,694.38</u>
<u>Assessment Fund</u>		
Cash	165,598.31	173,786.30
Assessments Receivable	522,325.89	588,706.13
	<u>687,924.20</u>	<u>762,492.43</u>
<u>Other Funds</u>		
Cash - Treasurer	3,624,131.90	3,112,604.65
Cash - Collector	897,394.42	768,360.29
Grant Receivable	8,715.49	7,546.86
Loans Receivable - UDAG	71,303.78	304,579.25
Due from Current Fund	73,589.00	-
Due from Utility Operations	5,564.85	5,564.85
Accounts Receivable	46,929.46	46,929.46
	<u>4,727,628.90</u>	<u>4,245,585.36</u>
	<u>\$ 5,469,149.36</u>	<u>5,059,772.17</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2022</u>	<u>2021</u>
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 7,476.00	8,820.00
Due to State of New Jersey	7.20	-
Prepaid Licenses	1,729.00	1,967.00
Interfunds:		
Due to Current Fund	44,384.06	40,907.38
	<u>53,596.26</u>	<u>51,694.38</u>
<u>Assessment Fund</u>		
Due to the Current Fund	1,338.77	932.44
Assessment Serial Bonds	630,000.00	705,000.00
Reserve for Assessments	56,585.43	56,559.99
	<u>687,924.20</u>	<u>762,492.43</u>
<u>Other Funds</u>		
Reserve for:		
Community Development Block Grant	2,676.80	2,676.80
Deposits for Redemption of Tax Liens	36,494.42	42,422.04
Tax Sale Premiums	860,900.00	710,900.00
Unemployment Compensation	198,721.59	192,996.60
Escrow Deposits	1,403,967.73	1,079,792.30
Street Openings	12,270.00	12,020.00
Sewer Escrows	151,946.31	141,946.31
Smart Growth Plan	33,013.31	33,013.31
Housing Rehabilitation	43,612.76	48,273.76
Parking Offense Adjudication Act	321.00	319.00
Urban Aid	712,388.74	582,143.85
Recreation Dedicated Trust	138,838.05	138,521.67
Police Forfeiture	11,189.50	5,504.33
Special Police Detail	260,855.27	162,281.80
Snow Removal	96,330.21	96,330.21
Subdivisions - Map Changes	19,682.50	17,132.50
Accumulated Absences	361,755.68	270,968.97
Donations - Bus Shelters	836.08	836.08
Council on Affordable Housing - Fees	222,363.64	267,037.61
Animal Advisory Awareness	886.68	351.69
Payroll	41,136.39	52,894.57
Construction Code Fees	6,046.00	37,589.00
Loans Receivable - UDAG	71,303.78	304,579.25
Due to Current Fund	11,692.46	38,041.71
Due to State of New Jersey:		
Construction Code Fees	28,400.00	7,012.00
	<u>4,727,628.90</u>	<u>4,245,585.36</u>
	<u>\$ 5,469,149.36</u>	<u>5,059,772.17</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

EXHIBIT C - CAPITAL FUND

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Cash and Investments	\$ 2,155,828.53	1,062,280.17
Deferred Charges to Future Taxation -		
Funded	4,815,560.54	5,638,426.84
Unfunded	7,183,181.87	4,917,446.87
Deferred Charge - Overexpenditure of Capital Improvement Fund	25,491.65	-
	<u>14,180,062.59</u>	<u>11,618,153.88</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Contracts Payable	765,968.47	1,835,178.35
Bond Anticipation Notes Payable	4,345,000.00	2,080,000.00
Serial Bonds Payable	4,520,000.00	5,250,000.00
Improvement Authorizations:		
Funded	169,894.61	172,401.20
Unfunded	3,834,336.60	1,639,367.92
Green Trust Loan Payable	295,560.54	364,005.85
New Jersey Environmental Infrastructure Trust		
Fund Loan Payable	-	24,420.99
Reserve to Pay Notes	33,983.55	15,662.40
Capital Improvement Fund	-	21,798.35
Fund Balance	215,318.82	215,318.82
	<u>\$ 14,180,062.59</u>	<u>11,618,153.88</u>

There were bonds and notes authorized but not issued at December 31,

2021	2,837,446.87
2022	2,838,181.87

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
Beginning Balance January 1	\$ 215,318.82	215,318.82
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	<u>\$ 215,318.82</u>	<u>215,318.82</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

EXHIBIT D - SEWER UTILITY FUND

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 1,098,051.03	1,381,472.66
Due from Sewer Capital Fund	178,353.00	178,353.00
Due from Current Fund	177,570.20	177,570.20
	<u>1,453,974.23</u>	<u>1,737,395.86</u>
Receivables With Full Reserves		
Consumer Accounts Receivable	4,016.39	3,468.00
Sewer Liens Receivable	1,557.36	320.00
	<u>5,573.75</u>	<u>3,788.00</u>
Deferred Charges:		
Overexpenditure of Appropriations	20,687.49	-
Expenditure without an Appropriation	-	7,847.22
	<u>20,687.49</u>	<u>7,847.22</u>
Total Operating Fund	<u>1,480,235.47</u>	<u>1,749,031.08</u>
Capital Fund:		
Cash and Investments	942,969.36	2,780,353.23
Fixed Capital:		
Completed	30,557,713.51	30,557,713.51
Authorized and Uncompleted	22,990,229.73	22,990,229.73
Total Capital Fund	<u>54,490,912.60</u>	<u>56,328,296.47</u>
	<u>\$ 55,971,148.07</u>	<u>58,077,327.55</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 12,567.89	67,090.06
Encumbrances Payable	30,463.45	35,392.94
Prepaid Rents	544,910.36	606,745.00
Accrued Interest on Bonds and Notes	216,807.72	203,228.17
Due to Sewer Escrow Fund	5,564.85	5,564.85
Bond Issue Costs Payable	15,058.70	19,276.47
	<u>825,372.97</u>	<u>937,297.49</u>
Reserve for Receivables	5,573.75	3,788.00
Fund Balance	649,288.75	807,945.59
Total Operating Fund	<u>1,480,235.47</u>	<u>1,749,031.08</u>
Capital Fund:		
Serial Bonds Payable	15,295,000.00	15,995,000.00
Bond Anticipation Notes Payable	2,500,000.00	2,500,000.00
Loans Payable	4,258,808.94	4,348,909.50
Contracts Payable	2,605,127.45	2,623,397.89
Due to Sewer Operating Fund	178,353.00	178,353.00
Reserve to Pay Bonds	1,105,360.19	1,105,360.19
Reserve to Pay Notes	38,378.25	18,825.00
Capital Improvement Fund	549,750.00	269,750.00
Improvement Authorizations		
Funded	197,076.98	197,076.98
Unfunded	879,816.84	2,998,483.52
Reserve for Amortization	25,831,403.66	25,041,303.10
Deferred Reserve for Amortization	1,036,980.64	1,036,980.64
Fund Balance	14,856.65	14,856.65
Total Capital Fund	<u>54,490,912.60</u>	<u>56,328,296.47</u>
	<u>\$ 55,971,148.07</u>	<u>58,077,327.55</u>

There were bond and notes authorized but not issued at December 31,

2022	4,625,750.00
2021	4,625,750.00

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 230,000.00	-
Sewer Rents	5,112,301.38	5,124,484.86
Miscellaneous	137,180.83	229,367.54
Other Credits to Income:		
Accounts Payable Cancelled	3,650.00	-
Unexpended Balance of Appropriation Reserves	<u>52,941.32</u>	<u>68,788.34</u>
Total Income	<u>5,536,073.53</u>	<u>5,422,640.74</u>
 Expenditures:		
Operations:		
Salaries and Wages	246,000.00	200,000.00
Other Expenses	272,700.00	250,000.00
Insurance	4,000.00	52,000.00
CMCMUA User Charges	2,780,000.00	2,189,560.00
Capital Improvements	280,000.00	552,000.00
Debt Service	1,495,870.64	1,300,453.03
Deferred Charges and Statutory Expenditures	406,847.22	347,000.00
Total Expenditures	<u>5,485,417.86</u>	<u>4,891,013.03</u>
Excess in Revenue	50,655.67	531,627.71
 Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	<u>20,687.49</u>	<u>7,847.22</u>
	71,343.16	539,474.93
Fund Balance January 1	<u>807,945.59</u>	<u>268,470.66</u>
	879,288.75	807,945.59
Decreased By:		
Utilization as Anticipated Revenue	<u>230,000.00</u>	-
Balance December 31	<u>\$ 649,288.75</u>	<u>807,945.59</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**SEWER UTILITY FUND
COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31,**

	2022	2021
Balance December 31,	\$ <u>14,856.65</u>	<u>14,856.65</u>
Increased By:		
None	-	-
	14,856.65	14,856.65
Decreased By:		
None	-	-
Balance December 31,	\$ <u><u>14,856.65</u></u>	<u><u>14,856.65</u></u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

SEWER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Anticipated Budget	Realized	Excess or (Deficit)
	<u> </u>	<u> </u>	<u> </u>
Operating Fund Balance Anticipated	\$ 230,000.00	230,000.00	-
Anticipated Revenue:			
Sewer Rents	5,024,000.00	5,112,301.38	88,301.38
Miscellaneous	<u>220,000.00</u>	<u>137,180.83</u>	<u>(82,819.17)</u>
	5,244,000.00	5,249,482.21	5,482.21
Total Revenue	<u>\$ 5,474,000.00</u>	<u>5,479,482.21</u>	<u>5,482.21</u>

Analysis of Realized Revenue:

Sewer Rents			
Accounts Receivable	\$ 4,505,236.38		
Liens Receivable	320.00		
Sewer Overpayments Applied	<u>606,745.00</u>		
Total Sewer Rents		<u>\$ 5,112,301.38</u>	
Miscellaneous Revenue			
Interest on Investments	4,283.36		
Miscellaneous	678.00		
Penalties on Delinquent Accounts	28,234.52		
Connection/Disconnection Fee	93,184.95		
Application Fees	<u>10,800.00</u>		
Total Miscellaneous		<u>137,180.83</u>	

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 203,000.00	246,000.00	244,391.39	1,608.61	
Other Expenses	275,000.00	272,700.00	267,787.26	4,912.74	
Insurance	55,000.00	4,000.00	-	4,000.00	
CMC/MJA User Charges	2,780,000.00	2,780,000.00	2,779,031.00	969.00	
	<u>3,313,000.00</u>	<u>3,302,700.00</u>	<u>3,291,209.65</u>	<u>11,490.35</u>	<u>-</u>
Capital Improvements:					
Capital Improvement Fund	55,000.00	55,000.00	55,000.00	-	
Down Payments on Improvements	225,000.00	225,000.00	225,000.00	-	
Capital Outlay	280,000.00	-	280,000.00	-	
	<u>280,000.00</u>	<u>280,000.00</u>	<u>280,000.00</u>	<u>-</u>	<u>-</u>
Debt Service:					
Payment of Bond Principal	791,000.00	791,000.00	790,100.57	-	899.43
Interest on Bonds	660,000.00	667,300.00	658,929.80	-	8,370.20
Interest on Notes	26,152.78	26,152.78	46,840.27	-	(20,687.49)
	<u>1,477,152.78</u>	<u>1,484,452.78</u>	<u>1,495,870.64</u>	<u>-</u>	<u>(11,417.86)</u>
Deferred Charges and Statutory Expenditures					
Township of Middle Indirect Costs	340,000.00	340,000.00	340,000.00	-	
Overexpenditure of Appropriations	7,847.22	7,847.22	7,847.22	-	
PERS	40,000.00	40,000.00	40,000.00	-	
Social Security System (O.A.S.I.)	16,000.00	19,000.00	17,922.46	1,077.54	
	<u>403,847.22</u>	<u>406,847.22</u>	<u>405,769.68</u>	<u>1,077.54</u>	<u>-</u>
	<u>\$ 5,474,000.00</u>	<u>5,474,000.00</u>	<u>5,472,849.97</u>	<u>12,567.89</u>	<u>(11,417.86)</u>
Adopted Budget		\$ 5,474,000.00		Cancelled	9,269.63
Emergency Authorization		<u>-</u>		Overexpenditures	<u>(20,687.49)</u>
		<u>5,474,000.00</u>			<u>(11,417.86)</u>
Cash Disbursed		\$ 4,728,769.23			
Deferred Charges - Emergency Authorizations		7,847.22			
Accrued Interest on Bonds and Notes		705,770.07			
Encumbered		30,463.45			
		<u>5,472,849.97</u>			

See Accompanying Notes to Financial Statements-Regulatory Basis

EXHIBIT E - GENERAL FIXED ASSET GROUP OF ACCOUNTS

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Land	\$ 2,614,728.85	978,885.00
Land Improvements	6,426,072.63	6,332,353.08
Building and Building Improvements	7,544,163.44	7,511,252.46
Machinery, Equipment and Vehicles	9,558,669.23	6,971,681.24
	<hr/>	<hr/>
Total General Fixed Assets	<u>26,143,634.15</u>	<u>21,794,171.78</u>
<u>Liabilities, Reserves, and Fund Balance</u>		
Investment in General Fixed Assets	\$ <u>26,143,634.15</u>	<u>21,794,171.78</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Middle include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Middle, as required by N.J.S. 40A:5-5.

The Township of Middle is an inland community located in the County of Cape May, State of New Jersey. The population according to the 2020 census is 20,380. The Township was incorporated in 1798 and operates under a Committee form of government.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The Township has no component units.

B. Description of Funds

The accounting policies of the Township of Middle conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and 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 the respect to public funds. Under this method of accounting, the Township of Middle 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.

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

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property & Property Deeded to Township -- Foreclosed Property and Property Deeded to Township are 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 -- The Township has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$5,000 are capitalized. No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Middle to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The Township operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed semi-annually and due semi-annual installments on March 20 and September 20.

Interest on Delinquent Utility Charges -- It is the policy of the Township to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the Township of Middle to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In March 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In May 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the Township's financial reporting for footnote disclosure.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2022 and 2021 statutory budgets included a reserve for uncollected taxes in the amount of \$375,567.05 and \$382,767.85. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$1,700,000 and \$1,120,000. In addition, the Township operates a self-liquidating sewer utility. Under New Jersey Statutes, a separate budget for the utility must be adopted concurrently with the operating budget of the Township. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$230,000 and \$0. The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by the Township Council.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 2: BUDGETARY INFORMATION - Continued

The following significant budget transfers were approved in the 2022 and 2021 calendar years:

<u>Budget Category</u>	<u>2022</u>	<u>2021</u>
<u>Current Fund:</u>		
Engineering Services		
Other Expenses	\$ (50,000.00)	
Insurance		
General Liability Insurance	(60,000.00)	
Workers Compensation Insurance	(175,000.00)	
Group Insurance Plan for Employees	35,000.00	53,000.00
Health Benefit Waivers		
Salaries and Wages	(37,230.00)	(28,000.00)
Police		
Salaries and Wages	(135,000.00)	
Other Expenses	345,000.00	
Police and Radio Communications		
Salaries and Wages	(49,700.00)	
Contribution to First Aid Squads	(40,000.00)	
Rescue Squad		
Salaries and Wages	(50,000.00)	(81,150.00)
Road Repair and Maintenance		
Salaries and Wages	100,000.00	
Animal Control - Animal Shelter		
Contractual		33,231.00
Natural Gas	30,000.00	
Gasoline	92,500.00	
Social Security System (O.A.S.I.)	(60,000.00)	

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2022 and 2021, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2022</u>	<u>2021</u>
Bulletproof Vest Partnership	\$	5,070.00
Clean Communities Program	57,508.57	54,933.79
Safe and Secure Communities	32,400.00	
NJ DOT Trust Fund	300,000.00	170,000.00
South Jersey Gas 2021 First Responders Grant		4,350.00
Body-Worn Camera Grant		130,432.00
Cape May County Code Blue Warming Centers	25,203.03	
Cape May County Open Space -Bike Path North Extension		615,314.00
Cape May County Open Space - Avalon Manor Fishing Pier		24,600.00
Cape May County Open Space - Ockie Wisting Creative		225,175.00
Cape May County Open Space - Norbury Landing	230,256.00	
Alcohol Education/Rehabilitaion Program		10,906.00
CDBG - Improve ADA Accessibility at Norbury Landing		400,000.00
Drive Sober or Get Pulled Over		7,500.00
Municipal Alliance	16,109.83	
National Opioid Settlement Fund	6,982.41	
Total	<u>668,459.84</u>	<u>1,648,280.79</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2: BUDGETARY INFORMATION - Continued

The Township may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals, or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. An emergency appropriation for Dispatching Services was authorized in the amount of \$345,000 in 2022 but was subsequently determined to be unnecessary and was cancelled.

Note 3: CASH

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 municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2022 and 2021, \$1,153,950.35 and \$831,540.85 of the Township's bank balance of \$18,499,153.68 and \$18,012,210.67 respectively was exposed to custodial credit risk.

Note 4: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2022 and 2021:

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Land	\$ 978,885.00	\$ -	\$ -	\$ 978,885.00
Land Improvements	6,332,353.08			6,332,353.08
Building	7,587,550.00	164,702.46	(241,000.00)	7,511,252.46
Equipment and Machinery	6,853,892.71	292,518.18	(174,729.65)	6,971,681.24
	<u>\$ 21,752,680.79</u>	<u>\$ 457,220.64</u>	<u>\$ (415,729.65)</u>	<u>\$ 21,794,171.78</u>

	Balance 12/31/2021	Additions	Retirements/ Adjustments	Balance 12/31/2022
Land	\$ 978,885.00	\$ 1,635,843.85	\$ -	\$ 2,614,728.85
Land Improvements	6,332,353.08	93,719.55		6,426,072.63
Building	7,511,252.46	32,910.98		7,544,163.44
Equipment and Machinery	6,971,681.24	2,586,987.99		9,558,669.23
	<u>\$ 21,794,171.78</u>	<u>\$ 4,349,462.37</u>	<u>\$ -</u>	<u>\$ 26,143,634.15</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Amounts Due Within One Year
Bonds payable:					
General	\$ 5,975,000.00	\$ -	\$ 725,000.00	\$ 5,250,000.00	\$ 730,000.00
Utility	10,250,000.00	6,285,000.00	540,000.00	15,995,000.00	700,000.00
Total	16,225,000.00	6,285,000.00	1,265,000.00	21,245,000.00	1,430,000.00
Other liabilities:					
Loans Payable	489,640.08		101,213.24	388,426.84	92,866.30
Utility Loans	11,336,908.83		6,987,999.33	4,348,909.50	90,101.00
Compensated Absences Payable	1,484,259.50	148,145.71	-	1,632,405.21	-
Total long-term liabilities	\$ 29,535,808.41	\$ 6,433,145.71	\$ 8,354,212.57	\$ 27,614,741.55	\$ 1,612,967.30
	Balance 12/31/21	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
Bonds payable:					
General	\$ 5,250,000.00	\$ -	\$ 730,000.00	\$ 4,520,000.00	\$ 735,000.00
Utility	15,995,000.00		700,000.00	15,295,000.00	715,000.00
Total	21,245,000.00	-	1,430,000.00	19,815,000.00	1,450,000.00
Other liabilities:					
Loans Payable	388,426.84		92,866.30	295,560.54	64,827.78
Utility Loans	4,348,909.50		90,100.56	4,258,808.94	92,131.65
Compensated Absences Payable	1,632,405.21		186,119.19	1,446,286.02	-
Total long-term liabilities	\$ 27,614,741.55	\$ -	\$ 1,799,086.05	\$ 25,815,655.50	\$ 1,606,959.43

Outstanding bonds whose principal and interest are paid from the Current Fund & Sewer Operating Budgets:

At December 31, 2022 bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$8,820,000 Various Capital Improvements Bonds dated November 1, 2016, due in annual installments through November 1, 2028, bearing interest rates from 2.125% to 4.00% per annum. The balance remaining as of December 31, 2022 is \$4,520,000.

\$340,000 Green Acres Loan dated November 3, 2004, due in semi-annual installments through August 24, 2024, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2022 is \$41,248.32.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 5: LONG TERM DEBT – Continued

\$455,700 Green Acres Loan, \$250,000 drawn down on December 21, 2004 and \$205,700 drawn down on December 24, 2006, due in semi-annual installments through July 5, 2024, and December 24, 2025, bearing an interest rate of 2.00%. The balances remaining as of December 31, 2022 are \$32,400.20 and \$0 respectively.

\$150,000 Green Acres Loan dated December 31, 2004, due in semi-annual installments through September 17, 2024, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2022, is \$7,678.39.

\$400,000 Green Acres Loan dated June 28, 2012, due in semi-annual installments through April 3, 2032, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2022, is \$214,233.63.

\$177,000 New Jersey Environmental Infrastructure Trust Fund Loan dated December 7, 2004, due in semi-annual installments through August 1, 2022, bearing an interest rate of 0%. The balance remaining as of December 31, 2022, is \$0.

\$177,597 New Jersey Environmental Infrastructure Trust Fund Loan dated December 7, 2004, due in semi-annual installments through August 1, 2022, bearing interest at variable rates ranging from 3% to 5%. The balance remaining as of December 31, 2022, is \$0.

At December 31, 2022, bonds payable in the Sewer Utility Fund consisted of the following individual issues:

The Township issued \$10,350,000 Sewer Refunding Bonds dated April 30, 2013, due in annual installments on August 15 through August 15, 2042, bearing interest at varying rates from 2.00%-4.00%. The bonds were used to refinance the Rural Development Administration Bonds noted below. The balance remaining as of December 31, 2022 was \$7,275,000.

The Township issued \$2,420,000 Sewer Refunding Bonds dated November 14, 2019, due in annual installments on December 15 through December 15, 2031, bearing interest at varying rates from 2.375%-4.00%. The bonds were used to refinance the 2010 Refunding Bonds noted above. The balance remaining as of December 31, 2022 was \$1,885,000.

The Township issued \$6,285,000 Sewer Refunding Bonds dated June 29, 2021, due in annual installments on August 15 through August 15, 2021, bearing interest at varying rates from 3.00% - 4.00%. The bonds were used to refund USDA bonds issued on 7/15/2010 and 12/15/2011. The balance remaining as of December, 31, 2022 was \$6,135,000.

\$1,815,000 Rural Development Loan dated December 15, 2011, due in semi-annual installments through December 15, 2051, bearing an interest rate of 2.25%. The balance remaining as of December 31, 2022, is \$1,464,729.36.

\$100,000 Rural Development Loan dated April 24, 2013, due in semi-annual installments through April 24, 2053, bearing an interest rate of 3.50%. The balance remaining as of December 31, 2022, is \$86,992.57.

\$794,400 Rural Development Loan dated April 24, 2013, due in semi-annual installments through April 24, 2053, bearing an interest rate of 2.75%. The balance remaining as of December 31, 2022 is \$675,601.09.

\$755,000 Rural Development Loan dated June 22, 2018, due in semi-annual installments through April 24, 2058, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2022, is \$696,849.55.

\$1,446,000 Rural Development Loan dated June 22, 2018, due in semi-annual installments through April 24, 2058, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2022, is \$1,334,636.37.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 5: LONG TERM DEBT – Continued

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds and Loans Issued and Outstanding

Year Ending December 31	General Capital Fund		Utility Capital Fund	
	Principal	Interest	Principal	Interest
2023	\$ 799,827.78	96,949.77	807,131.64	627,783.92
2024	798,298.12	80,993.34	819,209.62	597,106.19
2025	771,531.70	65,210.32	856,334.84	565,980.72
2026	776,964.49	49,777.53	888,509.19	533,406.37
2027	787,405.98	34,236.04	910,733.54	503,932.02
2028-2032	881,532.47	21,866.02	4,603,867.13	2,044,335.61
2033-2037			2,952,688.18	1,351,058.24
2038-2042			3,064,232.04	941,676.80
2043-2047			2,084,457.22	543,282.78
2048-2052			2,133,287.23	253,141.06
2053-2057			394,170.68	25,170.83
2058-2061			39,187.63	391.84
	\$ <u>4,815,560.54</u>	<u>349,033.02</u>	<u>19,553,808.94</u>	<u>7,987,266.38</u>

As of December 31, 2022, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$158,027.49 and to the utility budget was \$705,770.07.

Summary of Municipal Debt

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 9,160,560.54	\$ 7,718,426.84	\$ 6,464,640.08
Sewer Utility - Bonds and Notes	22,053,808.94	22,843,909.50	21,586,908.83
Trust Assessment- Bonds and Notes	630,000.00	705,000.00	780,000.00
Total Issued	<u>31,844,369.48</u>	<u>31,267,336.34</u>	<u>28,831,548.91</u>
<u>Less:</u>			
Funds Temporarily Held to Pay Bonds and Notes:			
General			
Self-Liquidating Debt	26,679,558.94	27,469,659.50	26,147,658.83
Total Deductions	<u>26,679,558.94</u>	<u>27,469,659.50</u>	<u>26,147,658.83</u>
Net Debt Issued	<u>5,164,810.54</u>	<u>3,797,676.84</u>	<u>2,683,890.08</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	2,838,181.87	2,837,446.87	2,280,680.87
Sewer Utility - Bonds and Notes	4,625,750.00	4,625,750.00	4,560,750.00
Total Authorized But Not Issued	<u>7,463,931.87</u>	<u>7,463,196.87</u>	<u>6,841,430.87</u>
Total Bonds & Notes Issued and Authorized But Not Issued	\$ <u>12,628,742.41</u>	\$ <u>11,260,873.71</u>	\$ <u>9,525,320.95</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 5: LONG TERM DEBT – Continued

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 0.410%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 19,950,000.00	\$ 19,950,000.00	\$ -
Sewer Utility Debt	26,679,558.94	26,679,558.94	-
General Debt	12,628,742.41	-	12,628,742.41
	<u>\$ 59,258,301.35</u>	<u>\$ 46,629,558.94</u>	<u>\$ 12,628,742.41</u>

Net Debt \$12,628,742.41 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,082,584,017.33 = 0.410%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 107,890,440.61
Net Debt	12,628,742.41
Remaining Borrowing Power	<u>\$ 95,261,698.20</u>

The Township of Middle School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

Note 6: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022 and 2021, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current Fund	\$ 1,800,000.00	1,700,000.00
Sewer Utility	225,000.00	230,000.00

Note 7: SCHOOL TAXES

The Township is responsible for levying, collecting and remitting school taxes for the Middle Township School District.

Local District School Tax in the amounts of \$30,733,599 and \$30,135,919.00 have been raised for the 2022 and 2021 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Fund balance is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31, and for the regional high school district the Township's

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 7: SCHOOL TAXES – Continued

share of the amount required to be raised by taxation for the period from July 1 to June 30, decreased by the amount deferred at December 31, 2021, and decreased by the amount deferred at December 31, 2022. GAAP would require the recording of a deferred revenue. The following schedule illustrates school taxes payable and school taxes deferred at December 31st for the last two years.

	12/31/2022	12/31/2021
Balance of Tax	\$ 14,159,634.59	\$ 13,883,081.37
Deferred	11,400,000.00	10,400,000.00
Local School Tax Payable	\$ 2,759,634.59	\$ 3,483,081.37

Note 8: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/22	Balance 12/31/21
Prepaid Taxes	\$ 1,330,091.57	\$ 1,253,701.10
Cash Liability for Taxes Collected in Advance	\$ 1,330,091.57	\$ 1,253,701.10

Note 9: PENSION FUNDS

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 9: PENSION FUNDS - Continued

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 15.11% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2022, 2021, and 2020 were \$481,236, \$494,084 and \$451,259.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the years ended December 31, 2022, 2021, and 2020 were \$1,507,972, \$1,468,112, \$1,344,409.

The total payroll for the year ended December 31, 2022, 2021 and 2020 was \$9,819,852.14, \$9,808,586.05, and \$9,706,191.93. Payroll covered by PFRS was \$4,515,601.00, \$4,400,997.00, and \$4,484,766.00. Payroll covered by PERS was \$3,304,372.00, \$3,202,866.00, and \$3,261,493.00.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 9: PENSION FUNDS - Continued

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 10: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the township's pension liabilities as June 30, 2021:

Public Employees' Retirement System

The Township has a liability of \$5,272,595 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 10: PENSION LIABILITIES - Continued

pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Township's proportion would be 0.04450762350%, which would be an increase of 1.17% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Township would have recognized pension expense of (\$581,627). At December 31, 2021, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 83,156	\$ (37,746)
Changes of assumptions	27,460	(1,877,078)
Changes in proportion	440,416	(285,192)
Net difference between projected and actual earnings on pension plan investments		(1,388,940)
Total	\$ 551,032	\$ (3,588,956)

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2022	\$ (1,183,625)
2023	(845,105)
2024	(576,218)
2025	(433,144)
2026	169
Total	\$ (3,037,924)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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%

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 10: PENSION LIABILITIES - Continued

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real estate	8.00%	9.15%
Real assets	3.00%	7.40%
High yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 10: PENSION LIABILITIES – Continued

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 in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the net pension liability	\$ 6,453,647	\$ 5,272,595	\$ 4,271,579

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

The Township has a liability of \$9,457,172 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2020 that was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Township's proportion would be 0.12938808870%, which would be an decrease of 1.54% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Township would have recognized pension expense of (\$1,100,299). At December 31, 2021, the Township would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 107,895	\$ (1,132,872)
Changes of assumptions	50,323	(2,834,271)
Changes in proportion	735,471	(583,671)
Net difference between projected and actual earnings on pension plan investments		(4,030,009)
Total	\$ 893,689	\$ (8,580,823)

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 10: PENSION LIABILITIES – Continued

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2022	\$	(2,460,945)
2023		(1,847,292)
2024		(1,585,106)
2025		(1,563,107)
2026		(197,165)
Thereafter		(33,518)
Total	\$	<u>(7,687,134)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	2.75%
Salary increases:	3.25% - 15.25% (based on years of service)
Investment rate of return:	7.00%

Employee mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability rates were based on the Pub-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the table on the following page:

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 10: PENSION LIABILITIES – Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real estate	8.00%	9.15%
Real assets	3.00%	7.40%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 non-employer contributing entity will be made based on 100% of the actuarially determine contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 Municipality's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the net pension liability	13,364,200.82	9,457,172.00	6,204,933.03

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under 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 June 30, 2021 State special funding situation net pension liability amount of

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 10: PENSION LIABILITIES – Continued

\$2,055,697,552.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2021 State special funding situation pension expense of \$228,944,734.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2021. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.12938808870% for 2021. The net pension liability amount allocated to the Municipality was \$2,659,828. For the fiscal year ending June 30, 2021 State special funding situation pension expense of \$296,227.00 is allocated to the Municipality.

Pension plan fiduciary net position.

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

Note 11: OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

The Township offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at:

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

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 11: OTHER POST-RETIREMENT BENEFITS – Continued

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.

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.

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 expense, however under the Regulatory Basis of Accounting followed by the Municipality these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, 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. For the special funding situation, where applicable, and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2021 were \$3,872,142,278 and \$14,177,910,609, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB 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 non special funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2021 is as follows:

	June 30, 2021	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 18,050,052,887	\$ 40,529,769
Plan Fiduciary Net Position	50,271,652	112,880
Net OPEB Liability	\$ 17,999,781,235	\$ 40,416,889
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.28%

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 11: OTHER POST-RETIREMENT BENEFITS - Continued

At June 30, 2021 the Township's proportionate share of the Collective Net OPEB Liability was \$40,416,889. The Township's proportion of the Collective Net OPEB Liability was 0.224541% which was an decrease from the prior year of 1.28%.

For the Year ended June 30, 2021 the Township's Total OPEB Expense was \$6,805,789. The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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*:	
PERS Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS	
Rate for all future years	3.25% to 15.25%

Mortality:

PERS: Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS: Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 11: OTHER POST-RETIREMENT BENEFITS - Continued

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Collective			
Net OPEB Liability	\$ 21,182,289,882	\$ 17,999,781,235	\$ 15,447,574,697
Proportionate Share			
Net OPEB Liability	\$ 47,562,926	\$ 40,416,889	\$ 34,686,139

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

The following presents the net OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Collective			
Net OPEB Liability	\$ 15,017,879,689	\$ 17,999,781,235	\$ 21,890,793,528
Proportionate Share			
Net OPEB Liability	\$ 33,721,297	\$ 40,416,889	\$ 49,153,807

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	Collective Totals		Proportionate Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 403,893,589	\$ (3,765,820,027)	\$ 906,907	\$ (8,455,810)
Changes of assumptions	2,589,322,345	(3,181,672,721)	5,814,090	(7,144,160)
Net difference between projected and actual earnings on OPEB plan investments	8,606,416		19,325	
Changes in proportion and differences between contributions and proportionate share of contributions	5,534,468,995	(5,534,468,995)	32,973,212	(560,580)
Total	\$ 8,536,291,345	\$ (12,481,961,743)	\$ 39,713,534	\$ (16,160,550)

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 11: OTHER POST-RETIREMENT BENEFITS - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Collective Totals	Proportionate Share
2022	\$ (1,074,753,405)	\$ 6,415,551
2023	(1,076,167,210)	6,423,990
2024	(1,077,459,075)	6,431,702
2025	(769,416,743)	4,592,898
2026	(129,344,414)	772,099
Thereafter	181,470,449	(1,083,256)
Total	<u>\$ (3,945,670,398)</u>	<u>\$ 23,552,984</u>

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2021 are as follows:

Service cost	\$ 846,075,674
Interest on Total OPEB Liability	413,837,061
Expected Investment Return	(2,381,937)
Administrative Expenses	11,334,383
Changes of Benefit Terms	2,029,119
Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources:	
Differences between Expected and Actual Experience	(703,565,089)
Changes in Assumptions	(375,284,907)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	4,971,262
Total Collective OPEB Expense	<u>\$ 197,015,566</u>

Schedule of Township's Share of Net OPEB Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Township's Proportionate Share of Net OPEB Liability	0.24541%	0.227448%	0.209244%
Township's Share of Net OPEB Liability	\$ 40,416,889	40,819,212	28,344,341
Township's Covered Payroll	7,603,863	7,746,259	7,697,553
Township's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	531.53%	526.95%	368.23%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.97%	1.97%

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 12: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$1,446,286.02 in 2022 and \$1,632,405.21 in 2021. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. Township employees are entitled to fifteen sick leave days each year. Vacation days are earned based on years of service. Employees are entitled to 12 vacation days for the first year of employment, 14 days for 2 through 5 years of service, 17 days for 6 through 10 years of service, 20 days for 11 through 15 years of service, and 25 days for 16 through 20 years or more of service. Over 20 years is 30 days a year. Sick and vacation days accumulated through December 31, 1986 have been credited to the employees and will be reimbursed at 100% of the employees' daily rate of pay upon retirement. Beginning January 1, 1987, unused sick leave may be accumulated and carried forward to subsequent years, and at retirement the employee will be reimbursed for days not used, not to exceed the amount of \$12,000 (PBA \$12,500). Vacation days earned may be carried over for one year only, unless extended by the Township Administrator with the recommendation of the department head.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. The balance of the fund was \$361,755.68 at December 31, 2022, and \$270,968.97 at December 31, 2021. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002, the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The Township does not record the liability.

Note 13: ECONOMIC DEPENDENCY

The Township of Middle is not economically dependent on any one business or industry as a major source of tax revenue.

Note 14: RISK MANAGEMENT

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

Property and Liability Insurance - The Township maintains commercial insurance coverage for property and liability. During the year ended December 31, 2022 and 2021, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Joint Insurance Fund

The Township of Middle is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverages:

Workers' Compensation
General Liability, Law Enforcement Liability
Employee Benefits Liability
Public Official Liability
Property, Real and Personal
Automobile Liability
Boiler and Machinery
Crime, Fidelity

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 14: RISK MANAGEMENT - Continued

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

Note 15: DEFERRED COMPENSATION

Employees of the Township of Middle may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Three unrelated financial institutions administer the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institutions until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrators. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 16: CONTINGENT LIABILITIES

From time to time, the Township is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the Township's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 17: INTERFUND BALANCES

During the most current calendar year ended December 31, 2022, the following interfunds were included on the balance sheets of the various funds of the Township of Middle and are expected to be returned within one year:

	Due From	Due To
Current Fund:		
Utility Operating		177,570.20
Animal Control Fund	44,384.06	
Grant Fund	1,538,448.36	
Assessment Trust Fund	1,338.77	
Trust Fund		33,496.54
Grant Fund:		
Current Fund		1,538,448.36
Trust Fund:		
Utility Operating	5,564.85	
Current Fund (Animal Control Fund)		44,384.06
Current Fund (Assessment Trust Fund)		1,338.77
Current Fund	33,496.54	
Sewer Operating:		
Current Fund	177,570.20	
Trust Fund-Utility Escrow		5,564.85
Sewer Capital	178,353.00	
Sewer Capital Fund:		
Sewer Operating		178,353.00
	\$ 1,979,155.78	\$ 1,979,155.78

The amounts due to the various funds relate to year end activity from the tax office not transferred over to the appropriate fund as of year end and statutory excess in the Animal Control Fund due to Current Fund.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 18: LEASE OBLIGATIONS

At December 31, 2022, the Township had an operating lease agreement for copiers. The following is an analysis of operating lease.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>		<u>Total</u>	<u>Copiers</u>
2023	\$	30,355.23	30,355.23
2024		19,264.40	19,264.40
2025		<u>3,049.63</u>	<u>3,049.63</u>
Total	\$	<u>52,669.26</u>	<u>52,669.26</u>

Rental payments under the operating leases for the year 2022 were	\$	37,674.12
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Note 19: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through September 29, 2023, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY DATA



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

To the Honorable Mayor and
Members of the Township Committee
Township of Middle
County of Cape May, 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 – regulatory basis, as listed in the accompanying table of contents, of the Township of Middle, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 29, 2023, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Middle prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. During our audit we did identify the following deficiencies in internal control that we consider to be material weaknesses, Findings 2022-1 and 2022-2. However, other material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

September 29, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

To the Honorable Mayor and
Members of Township Committee
Township of Middle
County of Cape May, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal and Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards, OMB Circular Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of this report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township of Middle's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of Middle's compliance with the requirements of each major federal program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 federal 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 federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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No. 393

September 29, 2023

**TOWNSHIP OF MIDDLE
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Period		Program or Award Amount	Receipts or Revenue Recognized	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients
		From	To			Pass Through	Source	Direct	
FEDERAL:									
U.S. Department of Treasury Passed Through State of New Jersey, Department of Community Affairs, ARP - Coronavirus State and Local Fiscal Recovery Funds	21.027	3/3/2021	12/31/2024	1,902,350.98	951,175.49	981,350.98	-	981,350.98	-
Total Department of Treasury					951,175.49	981,350.98	-	981,350.98	-
U.S. Department of Justice Bullet Proof Vest Partnership	16.607	2019	Open	6,792.18			2,502.18	2,502.18	-
Bullet Proof Vest Partnership	16.607	2020	Open	5,070.00			3,048.11	3,048.11	-
Bullet Proof Vest Partnership	16.607	2021	Open	9,880.06	2,850.91			4,419.76	-
Total Department of Justice					2,850.91	-	5,550.29	9,970.05	-
U.S. Department of Housing and Urban Development Passed through County of Cape May Community Development Block Grant - Improve ADA Accessibility at Norbury Landing	14.218	2021	2023	400,000.00		319,400.00		319,400.00	-
Total Housing and Urban Development					-	319,400.00		319,400.00	-
Total Federal Assistance					\$ 954,026.40	1,300,750.98	5,550.29	1,310,721.03	-

**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of Expenditure of Federal Awards includes the federal grant activity of the Township of Middle State of New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Encumbrances are considered in determining the single audit threshold on major programs. The Township has elected not to use the 10% de minimis indirect cost rate.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Receipts from state grants are realized as revenue when anticipated in the Township's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Township's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services as follows:

Expenditures per Schedule of Federal Awards	\$ 1,310,721.03
Less: American Rescue Plan A-2	<u>(981,350.98)</u>
Expenditures reported on Schedule A-12	<u><u>\$ 329,370.05</u></u>

TOWNSHIP OF MIDDLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Adverse GAAP Opinion**
Unmodified Regulatory Basis Opinion

Internal control over financial reporting:

- 1) Material Weakness identified? **YES**
- 2) Significant Deficiencies? **NONE REPORTED**

Non-Compliance material to Financial Statements – Regulatory Basis noted? **NO**

Federal Awards

Internal control over major programs:

- 1) Material Weakness identified? **NONE REPORTED**
- 2) Significant Deficiencies identified? **NONE REPORTED**

Type of auditor's report issued on compliance for major programs: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? **NO**

Identification of major programs:

21.027 **ARP - Coronavirus State and Local Fiscal Recovery Funds**

Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**

Auditee qualified as low-risk Auditee? **NO**

TOWNSHIP OF MIDDLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022
(CONTINUED)

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed the following findings relating to the financial statements – regulatory basis that is required to be reported under this section.

FINDING 2022-1

Criteria or Specific Requirement:

All Bank Accounts should be reconciled to the General Ledger promptly and accurately on a monthly basis.

Condition:

The prior CFO did not reconcile the various Township Bank Accounts in an accurate or timely manner.

Context:

The various Township Bank Account Reconciliation's were incorrect and required significant adjustments.

Effect:

The Township was unaware if Cash Balances were correct and intact.

Cause:

The Prior CFO failed to properly reconcile the Township Bank Accounts and record the necessary adjustments.

Recommendation:

We recommend that all Township Bank Accounts be reconciled to the General Ledger promptly and accurately on a monthly basis and that any and all differences be investigated and properly recorded and that interfund items be liquidated timely by the end of the subsequent month.

Views of Responsible Officials and Planned Corrective Actions:

The Township has retained a new CFO who is aware of the requirements regarding Bank Reconciliations. Corrective Action is already being implemented.

TOWNSHIP OF MIDDLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022
(CONTINUED)

FINDING 2022-2

Criteria or Specific Requirement:

The General Ledger should be maintained accurately on a timely basis.

Condition:

The Prior CFO did not accurately maintain the General Ledger, many entries were incomplete or incorrect.

Context:

The General Fund Ledger was out of balance by \$1.5 Million and many adjusting and correcting entries were required.

Effect:

The Balances in the General Ledger could not be relied upon.

Cause:

The prior CFO failed to maintain the General Ledger in an accurate manner.

Recommendation:

We recommend that the General Ledger be maintained in an accurate and timely manner.

Views of Responsible Officials and Planned Corrective Actions:

The District has retained a New CFO who is aware of the requirements regarding the maintenance of the General Ledger. Corrective Action is already being implemented.

TOWNSHIP OF MIDDLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022
(CONTINUED)

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Federal: Our audit disclosed no material Findings or Questioned Costs.

STATUS OF PRIOR YEAR FINDINGS

The 2021 Audit contained Findings that were similar to Finding 2022-1 and 2022-2 which are repeated in 2022.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Regular Fund	Grant Fund
Balance December 31, 2021	\$ 8,648,353.85	40,858.72
Increased by Receipts:		
Tax Collector	56,558,631.95	
Revenue Accounts Receivable	8,156,413.50	
Homestead Rebates	594,741.42	
Prepaid Licenses and Fees	25,074.00	
Reserve for Municipal Relief Aid	183,603.46	
Reserve for Developer Default	128,050.00	
Due from State - Senior and Veterans	140,480.82	
Reserve for Sale of Municipal Assets	386,626.39	
EMS Fees Receivable	2,354.72	
Due to State - Marriage Licenses	1,325.00	
Due to Water Districts	15,540.27	
Tax Title Lien Redemption Trust	15,038.25	
Election Reimbursements	52,650.00	
Due to Trust Fund Other	57,691.82	
Due from Trust Other Fund	11,311.00	
Due from Current Fund		945,061.33
Federal and State Grant Receivables		456,424.18
Federal and State Grants Unappropriated		50,400.57
	66,329,532.60	1,451,886.08
	74,977,886.45	1,492,744.80
Decreased by Disbursements:		
Current Year Appropriation	22,560,647.16	
Prior Year Appropriations	315,867.97	
Accounts Payable	179,602.01	
County Taxes	8,459,258.10	
Due County - Added Taxes	43,434.83	
Local District School Taxes	30,457,045.78	
Special District Levy	2,950,876.52	
Due to State - Marriage Licenses	6,850.00	
Election Expenses	51,600.00	
Refund of Prior Year Revenue	270,028.93	
Due to Federal and State Grant Fund	945,061.33	
Federal and State Disbursements		1,492,744.80
	66,240,272.63	1,492,744.80
Balance December 31, 2022	\$ <u>8,737,613.82</u>	<u>-</u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2021		\$	-
Increased by Receipts:			
Prepaid Taxes	\$	1,330,091.57	
Taxes Receivable		54,938,739.16	
Revenue Accounts Receivable		232,866.66	
Tax Title and Other Liens		56,934.56	
		<hr/>	<u>56,558,631.95</u>
			56,558,631.95
Payments to Treasurer			<u>56,558,631.95</u>
Balance December 31, 2022		\$	<u><u>-</u></u>

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

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2021	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2022
				2021	2022			
Arrears \$								
2019	2,083.58				2,083.58			-
2020	3,432.91				399.33			3,033.58
2021	19,783.19		5,019.23		18,210.41		10.25	6,581.76
	25,299.68	-	5,019.23	-	20,693.32	-	10.25	9,615.34
2022	-	56,840,480.71	281,841.65	1,253,701.10	55,662,854.69	65,390.99	108,389.18	31,986.40
	\$ 25,299.68	\$ 56,840,480.71	286,860.88	1,253,701.10	55,683,548.01	65,390.99	108,399.43	41,601.74

Cash Receipts
Overpayments Applied
Homestead Rebates
Senior Citizens and Veterans

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	56,840,480.71
Added Taxes (54:4-63.1 et. Seq.)	281,841.65
	<u>57,122,322.36</u>
Tax Levy:	
County Taxes	8,459,258.10
County Added and Omitted Taxes	44,465.41
Total County Taxes	8,503,723.51
Local School District Tax	30,733,599.00
Fire Districts	2,965,657.00
Local Tax for Municipal Purposes	14,604,098.43
Add: Additional Tax Levied	315,244.42
	<u>14,919,342.85</u>
	<u>57,122,322.36</u>

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

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2021		\$	701,653.42
Increased by:			
Transfers from Taxes Receivable	\$	108,399.43	
		<u> </u>	<u>108,399.43</u>
			810,052.85
Decreased by:			
Transferred to Foreclosed Property		49,741.15	
Collections		56,934.56	
		<u> </u>	<u>106,675.71</u>
Balance December 31, 2022		\$	<u><u>703,377.14</u></u>

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance	Accrued	Collected by		Balance
	Dec. 31, 2021	in 2022	Collector	Treasurer	Dec. 31, 2022
Licenses:					
Alcoholic Beverages	\$	6,124.00		6,124.00	-
Other		18,485.00		18,485.00	-
Fees and Permits		266,163.51		266,163.51	-
Fines and Costs:					
Municipal Court	9,607.03	106,662.35		109,208.08	7,061.30
Interest and Costs on Taxes		232,866.66	232,866.66		-
Interest on Investments		22,839.44		22,839.44	-
Registrar of Vital Statistics - Fees		51,897.45		51,897.45	-
Trailer Tax		138,180.00		138,180.00	-
Hotel/Motel Tax		53,389.05		53,389.05	-
Ambulance Fees		358,180.82		358,180.82	-
Payment in Lieu of Taxes		100,649.36		100,649.36	-
Energy Receipts Tax		3,519,743.00		3,519,743.00	-
Garden State Trust		47,481.00		47,481.00	-
Uniform Construction Code Fees		482,602.45		482,602.45	-
Police Officer - Cape May County Technical School		191,613.90		191,613.90	-
Middle Township Fire District #3 - JIF Insurance		17,989.00		17,989.00	-
Middle Township Fire District #2 - JIF Insurance		18,896.00		18,896.00	-
Middle Township Fire District #1 - JIF Insurance		29,601.90		29,601.90	-
Borough of Woodbine - Municipal Court - Interlocal		38,643.22		38,643.22	-
Sewer Utility - Indirect Costs		340,000.00		340,000.00	-
Cable TV and Franchise Fee		326,976.84		326,976.84	-
Cape Regional Medical Center Community Service Pmt		195,960.11		195,960.11	-
American Rescue Plan Act of 2021 - Loss of Revenue		981,350.98		981,350.98	-
Reserve to Pay Debt Service		15,662.40		15,662.40	-
Miscellaneous Revenue Not Anticipated		903,624.99		903,624.99	-
	<u>\$ 9,607.03</u>	<u>8,465,583.43</u>	<u>232,866.66</u>	<u>8,235,262.50</u>	<u>7,061.30</u>
		Cash Receipts		\$ 8,156,413.50	
		Prepaid Licenses and Fees Applied		78,849.00	
				<u>\$ 8,235,262.50</u>	

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

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charges	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT:				
General Administration				
Salaries and Wages	2,617.29	2,617.29		2,617.29
Other Expenses	381.73	2,881.73	2,529.44	352.29
Human Resources - Personnel				
Salaries and Wages	12,678.21	12,678.21		12,678.21
Other Expenses	4,561.39	4,561.39	2,006.73	2,554.66
Mayor and Committee				
Salaries and Wages	179.94	179.94		179.94
Township Clerk				
Salaries and Wages	853.92	853.92		853.92
Other Expenses:				
Codification of Ordinances	4,047.00	4,047.00		4,047.00
Miscellaneous Other Expenses	8,974.02	8,974.02	5,586.17	3,387.85
Financial Administration				
Salaries and Wages	1,574.08	1,574.08		1,574.08
Other Expenses	3,559.88	3,559.88	2,891.00	668.88
Information Technology				
Salaries and Wages	0.78	0.78		0.78
Other Expenses	3,025.55	3,025.55	189.00	2,836.55
Audit Services				
Other Expenses	3,200.00	3,200.00		3,200.00
Collection of Taxes				
Salaries and Wages	4,245.64	4,245.64		4,245.64
Other Expenses	3,963.34	3,963.34	2,877.64	1,085.70
Assessment of Taxes				
Salaries and Wages	2,669.79	2,669.79		2,669.79
Other Expenses	17,246.05	17,246.05	1,679.80	15,566.25
Liquidation of Tax Title Liens and Foreclosed Property				
Other Expenses	12,997.89	12,997.89	12,867.06	130.83

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

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charges	Balance Lapsed
Legal Services				
Other Expenses	59,319.40	59,319.40	21,235.74	38,083.66
Engineering Services				
Other Expenses	33,712.37	35,412.37	35,333.55	78.82
Grants Administration				
Salaries and Wages	1.72	1.72		1.72
Other Expenses	5,694.01	5,694.01		5,694.01
Public Affairs				
Other Expenses	1,779.30	9,279.30	1,955.00	7,324.30
LAND USE ADMINISTRATION				
Planning Board				
Smart Growth Expense	5,000.00	5,000.00	434.00	4,566.00
Zoning Board of Adjustment				
Salaries and Wages	43.13	43.13		43.13
Other Expenses	34,451.37	34,451.37	17,560.76	16,890.61
Municipal Court				
Salaries and Wages	3,614.77	3,614.77		3,614.77
Other Expenses	5,797.38	5,797.38	316.82	5,480.56
Public Defender				
Other Expenses	1,500.00	1,500.00		1,500.00
INSURANCE				
Group Insurance Plan for Employees				
Health Benefit Waivers	1,787.10	6,787.10	6,404.34	382.76
Salaries and Wages	5,795.93	5,795.93		5,795.93
PUBLIC SAFETY				
Police				
Salaries and Wages	127,090.12	48,088.12	1,264.42	46,823.70
Other Expenses	128,787.44	128,787.44	127,466.08	1,321.36
Police and Radio Communications				
Salaries and Wages	17,283.02	17,283.02		17,283.02
Other Expenses	2,627.60	2,627.60	1,120.00	1,507.60

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

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charges	Balance Lapsed
Rescue Squad				
Salaries and Wages	35,123.98	35,123.98		35,123.98
Other Expenses	14,751.98	14,751.98	8,381.76	6,370.22
Emergency Management Services				
Other Expenses	1,000.00	1,000.00		1,000.00
Municipal Prosecutor				
Other Expenses	3,000.00	3,000.00		3,000.00
PUBLIC WORKS				
Road Repair and Maintenance				
Salaries and Wages		3,500.00		3,500.00
Other Expenses	18,659.03	33,659.03	19,316.07	14,342.96
Vehicle Maintenance Motor Pool	20,293.36	20,293.36	17,498.38	2,794.98
Shade Tree Commission				
Other Expenses	750.00	750.00		750.00
Garbage and Trash Removal - Contractual	587.04	587.04	(26,481.20)	27,068.24
Recycling Contractual	587.04	587.04		587.04
Public Buildings and Grounds				
Other Expenses	34,834.06	34,834.06	10,125.74	24,708.32
HEALTH AND WELFARE				
Board of Health				
Other Expenses	850.00	850.00		850.00
Animal Control				
Salaries and Wages	8,406.13	8,406.13		8,406.13
Other Expenses	4,194.56	4,194.56		4,194.56
Animal Control - Animal Shelter				
Contractual	0.42	0.42		0.42
CODE ENFORCEMENT ADMINISTRATION				
Code Enforcement Officer				
Salaries and Wages	66.22	66.22		66.22
Other Expenses	26.12	26.12	26.12	-
Demolition of Substandard Buildings				
Other Expenses	10,000.00	10,000.00		10,000.00

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

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charges	Balance Lapsed
RECREATION AND EDUCATION				
Recreation				
Salaries and Wages		4,500.00		4,500.00
Other Expenses	6,343.47	6,343.47	1,008.30	5,335.17
Senior Center				
Salaries and Wages	303.47	303.47		303.47
Other Expenses	2,979.13	2,979.13	605.00	2,374.13
Beach Restoration				
Other Expenses	100.00	100.00		100.00
UNIFORM CONSTRUCTION CODE				
State Uniform Construction Code				
Construction Official				
Salaries and Wages	24.80	24.80		24.80
Other Expenses	433.73	433.73		433.73
Fire Protection				
Other Expenses	5,000.00	5,000.00		5,000.00
UTILITY EXPENSES AND BULK PURCHASES				
Water				
Electricity	2,669.93	2,669.93	1,867.26	802.67
Telephone	6,754.13	6,754.13	3,510.86	3,243.27
Internet	9,031.86	9,031.86	798.21	8,233.65
Natural Gas	90.25	90.25		90.25
Gasoline	51.60	9,853.60	9,853.25	0.35
Street Lighting	1,334.01	30,834.01	30,365.40	468.61
	82.34	82.34		82.34

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charges	Balance Lapsed
SANITARY LANDFILL DISPOSAL COSTS				
Sanitary Landfill - Contractual	13,338.70	13,338.70		13,338.70
Contribution to:				
Social Security	37,605.03	37,605.03		37,605.03
Defined Contribution Retirement Plan	6,199.10	6,199.10		6,199.10
OPERATIONS - EXCLUDED FROM "CAPS"				
(A) Operations - Excluded from "CAPS"	5,200.00	5,200.00		5,200.00
Cape May County Share PILOT	291.63	291.63		291.63
CAPITAL IMPROVEMENTS				
Improvements to Municipal Buildings and Grounds	772,024.28	772,024.28	320,592.70	451,431.58
	\$ 772,024.28	772,024.28	320,592.70	451,431.58
		Cash Disbursed	315,867.97	
		Accounts Payable	4,724.73	
			320,592.70	

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2021		
School Tax Payable	\$	3,483,081.37
School Tax Deferred		10,400,000.00
		\$ 13,883,081.37
Increased by:		
Levy - School Year July 1 to June 30		30,733,599.00
		44,616,680.37
Decreased by:		
Payments		30,457,045.78
Balance December 31, 2022		
School Tax Payable		2,759,634.59
School Tax Deferred		11,400,000.00
		14,159,634.59
Current Year Liability for Local School District School Tax:		
Tax Paid		30,457,045.78
Tax Payable Ending		2,759,634.59
		33,216,680.37
Less: Tax Payable Beginning		3,483,081.37
Amount charged to Current Year Operations		\$ 29,733,599.00

The Accompanying Notes to the Financial Statements are an intergral part of this statement

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred From 2022 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2022</u>
FEDERAL GRANTS:				
Bullet Proof Vest Partnership				
2013	\$ 300.00			300.00
2015	1,334.25			1,334.25
2019	2,112.18			2,112.18
2020	5,070.00			5,070.00
2021		390.00	390.00	-
National Opioid Settlement		6,982.41		6,982.41
Body Armor Grant	3,814.67		2,460.91	1,353.76
Drive Sober or Get Pulled Over - 2021	7,500.00			7,500.00
CDBG - Improve ADA Accessibility at Norbury Landing	400,000.00			400,000.00
CDBG - Rehabilitate Housing		163,000.00		163,000.00
CDBG - Remove Architectural Barriers		144,000.00		144,000.00
FEMA				
2013 Bennys Landing Road	132,281.75			132,281.75
Total Federal	<u>552,412.85</u>	<u>314,372.41</u>	<u>2,850.91</u>	<u>863,934.35</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred From 2022 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2022</u>
STATE GRANTS:				
Transportation Trust Fund:				
2013 - Bike Path - Phase 4	14,031.89			14,031.89
2014 - Bike Path - Phase 5	84,388.00			84,388.00
Linden Lane Project	333,515.00		189,095.91	144,419.09
South 4th Street	54,647.00			54,647.00
Walsh Ave & S. 3rd Street	170,000.00			170,000.00
Local Aid Infrastructure Program	15,000.00			15,000.00
Hand Avenue Extension		150,000.00		150,000.00
Magnolia Avenue		300,000.00		300,000.00
Local Freight Impact Fund - Magnolia Drive		300,000.00		300,000.00
Safe Streets to Transit	37,500.00			37,500.00
Safe & Secure Communities Grant	-	32,400.00	16,200.00	16,200.00
Juvenile Justice and Delinquency Prevention	9,251.10			9,251.10
Body-Worn Camera Grant	104,346.00			104,346.00
Clean Communities Grant				
2022	-	57,508.57	57,508.57	-
Cops in Shops	1,200.00			1,200.00
Sustainable New Jersey Communities Grant	2,500.00		2,500.00	-
Total State	<u>826,378.99</u>	<u>839,908.57</u>	<u>265,304.48</u>	<u>1,400,983.08</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred From 2022 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2022</u>
OTHER GRANTS:				
Bike Path Middle/Lower	122,034.50			122,034.50
Bike Path Northern Extension	1,626,761.00			1,626,761.00
Municipal Alliance	-	16,109.83		16,109.83
Cape May County Open Space - Bike Path North Extension	615,314.00			615,314.00
Cape May County Open Space - Avalon Manor Fishing Pier	24,600.00			24,600.00
Cape May County Open Space - Ockie Wisting Creative	225,175.00		193,631.25	31,543.75
Cape May County Open Space - Norbury Landing	-	230,256.00		230,256.00
Cape May County - Code Blue Warming Centers	-	25,203.03	25,203.03	-
Total Other	<u>2,613,884.50</u>	<u>271,568.86</u>	<u>218,834.28</u>	<u>2,666,619.08</u>
	<u>\$ 3,992,676.34</u>	<u>1,425,849.84</u>	<u>486,989.67</u>	<u>4,931,536.51</u>
		Cash Receipts \$ 456,424.18		
		Unappropriated Reserves 30,565.49		
		<u>486,989.67</u>		

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance Dec. 31, 2021	2022 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2022
FEDERAL GRANTS:						
CDBG - Improve ADA Accessibility at Norbury Landing	\$ 322,500.00		(52,125.79)	371,525.79		3,100.00
CDBG - Rehabilitate Housing		163,000.00				163,000.00
CDBG - Remove Architectural Barriers		144,000.00				144,000.00
Emergency Management Assistance 2012	403.00					403.00
Emergency Management Assistance 2013	69.77					69.77
Emergency Management Assistance 2014	1,112.33					1,112.33
Bullet Proof Vest Partnership 2018	56.02					56.02
Bullet Proof Vest Partnership 2019	5,232.18		2,502.18			-
Bullet Proof Vest Partnership 2020	5,070.00		3,048.11			2,021.89
Bullet Proof Vest Partnership 2021		390.00			2,730.00	390.00
Drive Sober or Get Pulled Over - 2021	7,500.00					7,500.00
Body Armor Grant	4,420.06		4,419.76			0.30
FEMA - Bennys Landing Road 2013	119,003.31					119,003.31
Total Federal	465,366.67	307,390.00	(42,155.74)	371,525.79	2,730.00	440,656.62
STATE GRANTS:						
Drunk Driving Enforcement Fund 2015	5,363.72		478.00			4,885.72
Drunk Driving Enforcement Fund 2016	8,182.91		1,720.00			6,462.91
Drunk Driving Enforcement Fund 2017	8,107.42					8,107.42
Drunk Driving Enforcement Fund 2018	9,183.98					9,183.98
Drunk Driving Enforcement Fund 2019	12,146.89					12,146.89
Drunk Driving Enforcement Fund 2020	7,836.31					7,836.31
Safe & Secure Communities Grant		32,400.00	32,400.00			-
Clean Communities 2016	0.86					0.86
Clean Communities 2018	63.36		(586.91)	63.36		586.91
Clean Communities 2019	35.41			35.41		-
Clean Communities 2020	43,554.91		30,649.12	12,905.79		0.00
Clean Communities 2021	54,933.79		11,369.23	13,733.45		29,831.11
Clean Communities 2022		57,508.57		14,377.14		43,131.43
Sustainable Jersey Small Grants Program	5,000.00					5,000.00

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance Dec. 31, 2021	2022 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2022
Recycling Tonnage 2011	941.06		-			941.06
Recycling Tonnage 2014	25,173.94		12,752.12	1,770.00		10,651.82
Recycling Tonnage 2016	37,691.18					37,691.18
Recycling Tonnage 2017	40,192.90					40,192.90
Recycling Tonnage 2018	41,085.95					41,085.95
Recycling Tonnage 2019	34,639.98					34,639.98
Recycling Tonnage 2020	42,726.33					42,726.33
Recycling Tonnage 2021	51,694.37					51,694.37
New Jersey Transportation Trust Fund						
2013 - Bike Path - Phase 4	5,321.89					5,321.89
2014 - Bike Path - Phase 5	27,006.81		13.00			26,993.81
Linden Avenue Project	65,917.89		(5,351.94)			71,269.83
South 4th Street	29,478.00		(1,924.42)			31,402.42
Local Aid Infrastructure Program	15,000.00					15,000.00
Walsh Ave & S. 3rd Street	170,000.00					170,000.00
Hand Avenue Extension		150,000.00				150,000.00
Magnolia Avenue		300,000.00				300,000.00
Local Freight Impact Fund - Magnolia Drive		300,000.00				300,000.00
Safe Streets to Transit	3,985.00		(1,659.66)			5,644.66
Alcohol Education & Rehabilitation 2011	2,157.39					2,157.39
Alcohol Education & Rehabilitation 2012	169.89					169.89
Alcohol Education & Rehabilitation 2013	3,602.45					3,602.45
Alcohol Education & Rehabilitation 2014	72.52					72.52
Alcohol Education & Rehabilitation 2015	707.20		707.20			-
Alcohol Education & Rehabilitation 2016	548.26		548.26			-
Alcohol Education & Rehabilitation 2017	644.60		644.60			-
Alcohol Education & Rehabilitation 2018	1,391.42		49.94			1,341.48
Alcohol Education & Rehabilitation 2019	3,295.36					3,295.36
Alcohol Education & Rehabilitation 2020	3,334.16					3,334.16
Alcohol Education & Rehabilitation 2021	10,905.55					10,905.55
National Opioid Settlement		6,982.41				6,982.41
Juvenile Justice and Delinquency Prevention	9,251.10		(29,306.00)	29,306.00		9,251.10
Body-Worn Camera Grant						
Total State	781,344.76	846,890.98	52,502.54	72,191.15	-	1,503,542.05

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

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FERERAL AND STATE GRANTS**

	Balance Dec. 31, 2021	2022 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2022
LOCAL GRANTS:						
Cape May County Open Space - Rio Grande Park			-			-
Cape May County Open Space - Avalon Manor Fishing Pier	8,743.05		-			8,743.05
Cape May County Open Space - Ockie Wisting Creative	225,175.00					225,175.00
Cape May County Open Space - Norbury Landing		230,256.00		123,900.00		106,356.00
Cape May County MJA - Recycling Rebate	42,986.45					42,986.45
Cape may County - Code Blue Warming Centers		25,203.03	25,203.03			-
Bike Path Middle/Lower	122,034.50					122,034.50
Bike Path Northern Extension	12,843.58		(129,362.16)			142,205.74
Municipal Alliance		16,109.83				16,109.83
South Jersey Gas 2021 First Responders Grant	4,350.00		4,350.10		(0.10)	(0.00)
	<u>416,132.58</u>	<u>271,568.86</u>	<u>(99,809.03)</u>	<u>123,900.00</u>	<u>(0.10)</u>	<u>663,610.57</u>
	<u>\$ 1,662,844.01</u>	<u>1,425,849.84</u>	<u>(89,462.23)</u>	<u>567,616.94</u>	<u>2,729.90</u>	<u>2,607,809.24</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

Purpose	Balance Dec. 31, 2021	Transferred To 2022 Appropriations	Received	Balance Dec. 31, 2022
FEDERAL GRANTS:				
American Rescue Plan	\$ 30,175.49	30,175.49		-
Bulleproof Vest Partnership	390.00	390.00		-
Total Federal	<u>30,565.49</u>	<u>30,565.49</u>	<u>-</u>	<u>-</u>
STATE GRANTS:				
NJ Department of Transportation Grant	130,328.62		50,400.57	130,328.62
Recycling Tonnage Grant				50,400.57
Total State	<u>130,328.62</u>	<u>-</u>	<u>50,400.57</u>	<u>180,729.19</u>
LOCAL GRANTS:				
None	-			-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>160,894.11</u>	<u>30,565.49</u>	<u>50,400.57</u>	<u>180,729.19</u>

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2021	\$	51,694.38
Increased By Receipts:		
Dog Licenses Fees	\$	2,649.20
State License Fees		572.40
Interest Earned on Investments		105.88
		3,327.48
		55,021.86
Decreased By Disbursements:		
Other		
Due to State of New Jersey		565.20
		1,425.60
Balance December 31, 2022	\$	53,596.26

TRUST FUND
SCHEDULE OF ASSESSMENT CASH - TREASURER

Balance December 31, 2021		\$	173,786.30
Increased By Receipts:			
Assessments Receivable	\$	66,380.24	
Interest on Assessments		25.44	
Interest due Current		<u>406.33</u>	
			<u>66,812.01</u>
			240,598.31
Decreased By Disbursements:			
Payment of Bond Principal		<u>75,000.00</u>	
			<u>75,000.00</u>
Balance December 31, 2022		\$	<u><u>165,598.31</u></u>

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2021- Treasurer	\$	3,112,604.65
Balance December 31, 2021 - Collector		768,360.29
		<u>3,880,964.94</u>
Increased By Receipts:		
Escrow Deposits	\$	748,284.73
Unemployment		15,393.02
Housing Rehabilitation		190,688.00
Forfeited Funds		5,755.17
Municipal Alliance Grant Receipts		16,211.00
Dedicated Recreation Receipts		161,440.80
Street Openings		250.00
Urban Aid		130,244.89
Animal Advisory Awareness		534.99
Sewer Escrow Receipts		10,000.00
COAH Funds Received & Interest Earned		496.61
Tax Title Lien Premiums		643,000.00
Tax Title Lien Redemptions		512,300.20
Police Special Detail		238,514.84
Subdivisions - Map Changes		2,550.00
Parking Offenses		2.00
Accumulated Absences and Interest Earned		<u>204,694.56</u>
		<u>2,880,360.81</u>
		<u>6,761,325.75</u>

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Decreased By Disbursements:		
Escrow Disbursements	424,109.30	
Housing Rehabilitation	195,349.00	
Municipal Alliance Expenses	17,379.63	
Dedicated Recreation Expenditures	161,124.42	
Payroll Trust	11,758.18	
COAH Expenses	45,170.58	
Tax Title Lien Premiums	493,000.00	
Tax Title Lien Redemptions	518,227.82	
Forfeited Funds	70.00	
Police Special Detail	139,941.37	
Construction Code Fees	38,555.00	
Due to Current Fund - Other	56,500.00	
Due to Current Fund - TTL	15,038.25	
Accumulated Absences	113,907.85	
Unemployment	9,668.03	
	<hr/>	
		<u>2,239,799.43</u>
Balance December 31, 2022	\$	<u><u>4,521,526.32</u></u>
Balance December 31, 2022 - Treasurer	\$	3,624,131.90
Balance December 31, 2022 - Collector		897,394.42
	\$	<u><u>4,521,526.32</u></u>

TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Improvements</u>	<u>Balance Dec. 31, 2021</u>	<u>Assessments Confirmed</u>	<u>Collections</u>	<u>Transferred to Assessment Liens</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2022</u>	<u>Balance Pledged to Bonds</u>	<u>Balance Pledged to Reserve</u>
1470-14 Sterback Harbor Dredge Project	\$ 588,706.13		66,380.24			522,325.89	465,740.46	56,585.43

**TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS**

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	Assessments Confirmed	Interest and Cost of Assessment	Transfers		Balance Dec. 31, 2022 Pledged to Reserve
					From	To	
Assessments Receivable: 1470-14	Sterback Harbor Dredge project	\$ 56,559.99		25.44			56,585.43
		\$ 56,559.99	-	25.44	-	-	56,585.43

ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENT SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
Sterback Harbor Dredge Project	2/17/2016	1,080,000	11/1/2023	\$ 70,000.00	2.000%	705,000.00	75,000.00	630,000.00
			11/1/2024	70,000.00	2.000%			
			11/1/2025	70,000.00	2.000%			
			11/1/2026	70,000.00	2.000%			
			11/1/2027	70,000.00	2.000%			
			11/1/2028	70,000.00	2.125%			
			11/1/2029	70,000.00	2.125%			
			11/1/2030	70,000.00	2.250%			
11/1/2031	70,000.00	2.500%						
\$						<u>705,000.00</u>	<u>75,000.00</u>	<u>630,000.00</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2021	\$	8,820.00
Increased By:		
Dog Licenses Fees Collected	\$	<u>2,887.20</u>
		<u>2,887.20</u>
		11,707.20
Decreased By Disbursements:		
Animal Control Expenditures		860.40
Statutory Excess Due to Current Fund		<u>3,370.80</u>
		<u>4,231.20</u>
Balance December 31, 2022		<u><u>7,476.00</u></u>

License Fees Collected	<u>Year</u>	
	2020	\$ 3,829.00
	2021	<u>3,647.00</u>
		<u><u>7,476.00</u></u>

TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance December 31, 2021		\$	40,907.38
Increased By:			
Statutory Excess in Reserves for Expenditures	\$	3,370.80	
Interest Earned		<u>105.88</u>	
			<u>3,476.68</u>
			<u>44,384.06</u>
Decreased By:			
Cash Disbursements		<u>-</u>	
			<u>-</u>
Balance December 31, 2022			<u><u>44,384.06</u></u>

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

Balance December 31, 2021		\$	-
Increased By:			
Collected	\$	572.40	
Adjustment		<u>-</u>	
			<u>572.40</u>
			<u>572.40</u>
Decreased By:			
Paid to State of New Jersey		<u>565.20</u>	
			<u>565.20</u>
Balance December 31, 2022			<u><u>7.20</u></u>

TRUST FUND
OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS TRUST RESERVES

	Balance Dec. 31, 2021	Budget Appropriation	Fees, Refunds, Interest and Donations	Disbursed	Balance Dec. 31, 2022
Reserve for Community Development Block Grant	\$ 2,676.80				2,676.80
Reserve for Deposits for Redemption of Tax Liens	42,422.04		512,300.20	518,227.82	36,494.42
Reserve for Tax Sale Premiums	710,900.00		643,000.00	493,000.00	860,900.00
Reserve for Unemployment Compensation	192,996.60	15,000.00	393.02	9,668.03	198,721.59
Reserve for Escrow Deposits	1,079,792.30		748,284.73	424,109.30	1,403,967.73
Reserve for Street Openings	12,020.00		250.00		12,270.00
Reserve for Other Deposits	-		2,105.00		-
Reserve for Sewer Escrows	141,946.31		10,000.00		151,946.31
Reserve for Smart Growth Plan	33,013.31				33,013.31
Reserve for Housing Rehabilitation	48,273.76		190,688.00	195,349.00	43,612.76
Reserve for Parking Offenses Adjudication Act	319.00		2.00		321.00
Reserve for Urban Aid	582,143.85		130,852.48	607.59	712,388.74
Reserve for Recreation Dedicated Trust	138,521.67		161,440.80	161,124.42	138,838.05
Reserve for Police Forfeiture	5,504.33		5,755.17	70.00	11,189.50
Reserve for Special Police Detail	162,281.80		238,514.84	139,941.37	260,855.27
Reserve for Snow Removal	96,330.21				96,330.21
Reserve for Subdivisions - Map Changes	17,132.50		2,550.00		19,682.50
Reserve for Accumulated Absences	270,968.97	200,000.00	4,694.56	113,907.85	361,755.68
Reserve for Donations - Bus Shelters	836.08				836.08
Reserve for Council on Affordable Housing - Fees	267,037.61		496.61	45,170.58	222,363.64
Reserve for Animal Advisory Awareness	351.69		534.99		886.68
Reserve for Payroll Trust	52,894.57			11,758.18	41,136.39
Reserve for Construction Code Fees	37,589.00			31,543.00	6,046.00
	<u>\$ 3,895,952.40</u>	<u>215,000.00</u>	<u>2,651,862.40</u>	<u>2,146,582.14</u>	<u>4,616,232.66</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2021		\$ 1,062,280.17
Increased by:		
Bond Anticipation Notes Issued	\$ 2,545,000.00	
Capital Improvement Fund	80,000.00	
Premium on Note Sale	33,983.55	
		2,658,983.55
		3,721,263.72
Decreased by:		
Improvement Authorizations	1,549,772.79	
Due to Current Fund	15,662.40	
		1,565,435.19
Balance December 31, 2022		2,155,828.53

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2021	Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 215,318.82							215,318.82
Capital Improvement Fund	21,798.35	80,000.00			127,290.00			(25,491.65)
Contracts Payable	1,835,178.35				1,835,178.35			765,968.47
Reserve to Pay Notes	15,662.40	33,983.55		15,662.40				33,983.55
Improvement Authorizations:								
Ord.								
Number								
1359-10 Road and Drainage Improvements	(0.86)							(0.86)
1461-13 Demolition of Unsafe Structures	94,146.00							94,146.00
1478-14 Road Drainage and Improvements	4,980.45							
1532-16 Various Capital Improvements	(166,294.03)				3,268.41			(188,282.44)
1549-17 Various Capital Improvements	59,903.68			5,580.20				
1575-18 Various Capital Improvements	13,371.07			18,720.00				
1589-19 Various Capital Improvements	43,770.08			27,640.00				
1630-21 Various Capital Improvements	(1,075,554.14)			21,451.08				
1652-22 Various Capital Improvements			2,545,000.00	870,780.98				
				12,000.00				
	\$ 1,062,280.17	113,983.55	2,545,000.00	1,549,772.79	2,728,436.82		2,728,436.82	2,155,828.53

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2021		\$	21,798.35
Increased by:			
Current Fund Budget Appropriation	\$	80,000.00	
			80,000.00
			101,798.35
Decreased by:			
Financed Improvement Authorization		127,290.00	
			127,290.00
Balance December 31, 2022			(25,491.65)

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2021		\$ 5,638,426.84
Increased by:		
None	\$ <u> -</u>	<u> -</u>
		5,638,426.84
Decreased by:		
Budget Appropriation to Pay Bonds/Loans:		
Municipal Bonds	730,000.00	
Green Trust Loans	68,445.31	
New Jersey Environmental Infrastructure Trust Fund Loan	<u>24,420.99</u>	
		<u>822,866.30</u>
Balance December 31, 2022		\$ <u><u>4,815,560.54</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord #	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Raised in 2022 Budget	Balance Dec. 31, 2022	Bond Anticipation Notes	Analysis of Balance		Unexpended Improvement Authorizations
							Expenditures		
1359-10	Road and Drainage Improvements	\$ 0.86			0.86			0.86	-
1532-16	Various Capital Improvements	200,180.01			200,180.01			188,282.44	11,897.57
1589-19	Various Capital Improvements	2,080,500.00		280,000.00	1,800,500.00	1,800,000.00		500.00	
1630-21	Various Capital Improvements	2,636,766.00			2,636,766.00			1,359,235.12	1,277,530.88
1652-22	Various Capital Improvements		2,545,735.00		2,545,735.00	2,545,000.00			
		<u>\$ 4,917,446.87</u>	<u>2,545,735.00</u>	<u>280,000.00</u>	<u>7,183,181.87</u>	<u>4,345,000.00</u>		<u>1,548,018.42</u>	<u>1,289,428.45</u>

Improvement Authorizations Unfunded 3,834,336.60

Less:

Unexpended Proceeds of Bond
Anticipation Notes Issued:

Ord. Number

1589-19

1652-22

\$

34,123.24

2,510,784.91

2,544,908.15

1,289,428.45

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2021		Authorizations		Balance December 31, 2022	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation	Funded	Unfunded
1461-13	Demolition of Unsafe Structures	12/3/2013	200,000	94,146.00				94,146.00	-
1478-14	Road Drainage and Improvements	7/21/2014	4,000,000	4,980.45			4,980.45	-	-
1532-16	Various Capital Improvements	9/7/2016	1,250,000				21,988.41		11,897.57
1549-17	Various Capital Improvements	11/6/2017	267,000	59,903.68	33,885.98		(1,267.62)	61,171.30	
1575-18	Various Capital Improvements	11/19/2018	419,500	13,371.07			(1,206.24)	14,577.31	
1589-19	Various Capital Improvements	6/17/2019	2,190,000		44,270.08		10,146.84		34,123.24
1630-21	Various Capital Improvements	8/2/2021	2,775,482		1,561,211.86		283,680.98		1,277,530.88
1652-22	Various Capital Improvements	8/1/2022	2,673,025			127,290.00	162,240.09		2,510,784.91
				<u>\$ 172,401.20</u>	<u>1,639,367.92</u>	<u>127,290.00</u>	<u>480,562.91</u>	<u>169,894.61</u>	<u>3,834,336.60</u>
				Grants Receivable					
				Capital Improvement Fund					
				\$		\$		Cash Disburse \$	1,549,772.79
						127,290.00		Prior Year Payabl	(1,835,178.35)
								Contracts Payabl	765,968.47
								Due to Sewer Cat	-
				\$	<u>127,290.00</u>	\$	<u>480,562.91</u>		

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
General Improvement Bonds of 2016	11/1/2016	8,820,000	11/1/2023	\$ 735,000.00	2.000%	\$ 5,250,000.00	730,000.00	4,520,000.00
			11/1/2024	740,000.00	2.000%			
			11/1/2025	750,000.00	2.000%			
			11/1/2026	755,000.00	2.000%			
			11/1/2027	765,000.00	2.000%			
			11/1/2028	775,000.00	2.125%			
						<u>\$ 5,250,000.00</u>	<u>730,000.00</u>	<u>4,520,000.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Outstanding December 31, 2022 Amount				
1070-00 Davies Complex	11/3/2004	340,000	2/8/2023	10,158.66	2.00%	61,264.89	20,016.57	41,248.32
			8/8/2023	10,260.24				
			2/8/2024	10,362.85				
			8/8/2024	10,466.57				
1107-02 Park Acquisition Fort Apache I	12/21/2004	250,000	1/5/2023	7,979.58	2.00%	48,123.12	15,722.92	32,400.20
			7/5/2023	8,059.37				
			1/5/2024	8,139.97				
			7/5/2024	8,221.28				
1094-01 Shellbay Avenue Park	12/31/2004	150,000	3/17/2023	4,586.96	2.00%	16,716.50	9,038.11	7,678.39
			9/17/2023	3,091.43				
1107-02 Park Acquisition Fort Apache II	12/24/2005	205,700				3,383.87	3,383.87	-
1299-08 Goshen Rd Complex Ph II	6/28/2012	400,000	4/3/2023	10,294.30	2.000%	234,517.47	20,283.84	214,233.63
			10/3/2023	10,397.24				
			4/3/2024	10,501.22				
			10/3/2024	10,606.23				
			04/03/25-32	172,434.64				
						\$ 364,005.85	68,445.31	295,560.54

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**GENERAL CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
1107-02 and 1139-03 Land Acquisition - Fort Apache Recreation Area	12/7/2004	177,000			4.750% \$	14,287.25	14,287.25	-
Land Acquisition - Fort Apache Recreation Area	12/7/2004	177,597			None	10,133.74	10,133.74	-
						\$ 24,420.99	24,420.99	-
					Cancelled	\$		
					Funded by Budget Appropriation	\$ 24,420.99	24,420.99	
						\$ 24,420.99	24,420.99	-

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Debt Issued	Balance Dec. 31, 2022
1359-10	Road and Drainage Improvements	\$ 0.86			0.86
1532-16	Various Capital Improvements	200,180.01			200,180.01
1589-19	Various Capital Improvements	500.00			500.00
1630-21	Various Capital Improvements	2,636,766.00			2,636,766.00
1652-22	Various Capital Improvements		2,545,735.00	2,545,000.00	735.00
		<u>\$ 2,837,446.87</u>	<u>2,545,735.00</u>	<u>2,545,000.00</u>	<u>2,838,181.87</u>

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Various Capital Improvements	1589-19	9/9/2021	9/7/2022	9/7/2023	3.750% \$	2,080,000.00		280,000.00	1,800,000.00
Various Capital Improvements	1652-22	9/7/2022	9/7/2022	9/7/2023	3.750%		2,545,000.00		2,545,000.00
						\$ 2,080,000.00	2,545,000.00	280,000.00	4,345,000.00
					Cash Disbursed \$	-			
					Paid by Budget Appropriation	280,000.00			
						<u>280,000.00</u>			

**SEWER UTILITY FUND
SCHEDULE OF CASH**

	Operating	Capital
Balance December 31, 2021	\$ 1,381,472.66	2,780,353.25
Increased by Receipts:		
Sewer Rent Collected	\$ 4,505,236.38	
Sewer Liens Collected	320.00	
Miscellaneous Revenue Anticipated	136,502.83	
Prepaid Sewer Rents	544,910.36	
Capital Improvement Fund		280,000.00
Note Premium		19,553.25
	<u>5,186,969.57</u>	<u>299,553.25</u>
	6,568,442.23	3,079,906.48
Decreased by Disbursements:		
Current Appropriations	4,728,769.23	
Appropriation Reserves	45,891.68	
Bond Issuance Costs Payable	3,539.77	
Improvement Authorizations		2,136,937.12
Accrued Interest on Bonds and Notes	692,190.52	
	<u>5,470,391.20</u>	<u>2,136,937.12</u>
Balance December 31, 2022	\$ <u>1,098,051.03</u>	<u>942,969.36</u>

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**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2021	Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
		Bonds/Loans Issued	Misc.	Improvement Authorizations	From	To		
Capital Fund Balance	\$ 14,856.65							14,856.65
Due to Sewer Operating Fund	178,353.00							178,353.00
Capital Improvement Fund	269,750.00		280,000.00					549,750.00
Contracts Payable	2,623,397.89				2,623,397.89	2,605,127.45		2,605,127.45
Reserve to Pay Bonds	1,105,360.19							1,105,360.19
Reserve to Pay Notes	18,825.00		19,553.25					38,378.25
<u>Improvement Authorizations</u>								
Ord.								
Number								
1223-06/ Various Sewer Improvements:	151,632.40							151,632.40
1267-07	(177,117.83)							(177,117.83)
1364-10 Various Sewer Improvements:	(988,140.45)							(988,140.45)
1417-12/ Grassy Sound Connection to Sewer :								
1543-17	(32,955.76)							(32,955.76)
1453-13 Various Sewer Improvements:								
1579-18 Various Sewer Improvements:					13,967.54	13,967.54		-
1590-19 Various Capital Improvements	(429,052.44)			1,851,279.92	234,487.01	2,093,902.65		8,135.72
1619-21 Various Capital Improvements				285,657.20	2,356,672.90	515,527.70		(2,555,854.84)
1629-21 Purchase of Pickup Truck & Pump	45,444.58							45,444.58
	<u>\$ 2,780,353.23</u>	<u>-</u>	<u>299,553.25</u>	<u>2,136,937.12</u>	<u>5,228,525.34</u>	<u>5,228,525.34</u>		<u>942,969.36</u>

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**SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2021	\$	3,468.00
Increased By:		
Sewer Rents and Other Charges Levied	\$	5,116,021.13
		5,116,021.13
		5,119,489.13
Decreased By:		
Collections - Sewer Fund		4,505,236.38
Prepayments/Overpayments Applied		606,745.00
Cancellations		1,934.00
Transfer to Lien		1,557.36
		5,115,472.74
Balance December 31, 2022		4,016.39

SCHEDULE OF UTILITY LIENS

Balance December 31, 2021	\$	320.00
Increased By:		
Transfer from Sewer Accounts Receivable	\$	1,557.36
		1,557.36
		1,877.36
Decreased By:		
Collections		320.00
		320.00
Balance December 31, 2022		1,557.36

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**SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 24,077.96	24,077.96		24,077.96
Other Expenses	19,814.55	19,814.55	16,011.68	3,802.87
Insurance	1.54	1.54		1.54
CMCMUA User Charges	295.00	295.00		295.00
Capital Outlay	52,100.00	52,100.00	29,880.00	22,220.00
Social Security System	2,543.95	2,543.95		2,543.95
TOTALS	\$ <u>98,833.00</u>	<u>98,833.00</u>	<u>45,891.68</u>	<u>52,941.32</u>
Appropriation Reserves	\$ 67,090.06	Cash	45,891.68	
Reserve for Encumbrances	31,742.94	Encumbrance	-	
	\$ <u>98,833.00</u>		<u>45,891.68</u>	

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
1519-19	Various Sewer Improvements	9/9/2021 9/9/2021	9/9/2021 9/7/2022	9/8/2022 9/7/2023	1.00% \$ 3.75%	2,500,000.00	2,500,000.00	2,500,000.00	- 2,500,000.00
						<u>2,500,000.00</u>	<u>2,500,000.00</u>	<u>2,500,000.00</u>	<u>2,500,000.00</u>

**SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
AND NOTES AND ANALYSIS OF BALANCE**

Balance December 31, 2021		\$	203,228.17
Increased By:			
Budget Appropriation:			
Interest on Bonds	\$	658,929.80	
Interest on Notes		46,840.27	
			705,770.07
			908,998.24
Decreased By:			
Payments of Interest		692,190.52	
			692,190.52
Balance December 31, 2022		\$	216,807.72

Analysis of Accrued Interest December 31, 2022

Principal Outstanding Dec. 31, 2022	Interest Rate	From	To	Days	Amount
<u>Serial Bonds</u>					
\$ 7,275,000.00	Variable	08/15/22	12/31/22	138	\$ 98,938.36
1,885,000.00	Variable	12/15/22	12/31/22	16	3,112.78
6,285,000.00	Variable	08/15/22	12/31/22	138	78,564.17
<u>Rural Development Bonds</u>					
1,464,729.36	2.25%	12/15/22	12/31/22	15	1,464.73
86,992.57	3.500%	10/25/22	12/31/22	67	566.66
675,601.09	2.75%	10/25/22	12/31/22	67	3,457.77
696,849.55	2.00%	12/22/22	12/31/22	9	348.43
1,334,636.37	2.00%	12/22/22	12/31/22	9	667.32
<u>Bond Anticipation Notes</u>					
2,500,000.00	3.75%	09/08/22	12/31/22	114	29,687.50
22,203,808.94					\$ 216,807.72

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2021		Paid or Charged	Balance December 31, 2022	
				Funded	Unfunded		Funded	Unfunded
1223-06/ 1267-07	Various Sewer Improvements	5/15/06 (amend 8/6/07)	\$ 4,646,000	\$ 151,632.40			151,632.40	
1364-10	Various Sewer Improvements		1,176,400		119,482.17			119,482.17
1417-12/ 1543-17	Grassy Sound Connection to Sewer System	8/20/2012	3,800,150		611,009.55			611,009.55
1453-13	Various Sewer Improvements (a) Bennet Rd. Pkwy Sewer	12/2/2013	165,000		132,044.24			132,044.24
1590-19	Various Capital Improvements	6/17/2019	2,500,000			(8,135.72)		8,135.72
1619-21	Various Capital Improvements	4/5/2021	2,700,000		2,135,947.56			9,145.16
1629-21	Purchase of Pickup Truck & Pump	8/2/2021	95,250	45,444.58			45,444.58	
				<u>\$ 197,076.98</u>	<u>2,998,483.52</u>	<u>2,118,666.68</u>	<u>197,076.98</u>	<u>879,816.84</u>
				Cash Disbursed		2,136,937.12		
				Contracts Payable Canceled		(2,623,397.89)		
				Contracts Payable		2,605,127.45		
						<u>2,118,666.68</u>		

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance Dec. 31, 2022		
			Date	Outstanding Dec. 31, 2022	Amount	Interest Rate		Balance Dec. 31, 2021	Decreased
Refunding Bonds of 2013	4/30/2013	10,350,000	8/15/2023	390,000.00	390,000.00	4.000%	7,635,000.00	360,000.00	7,275,000.00
			8/15/2024	390,000.00	390,000.00	4.000%			
			8/15/2025	410,000.00	410,000.00	4.000%			
			8/15/2026	435,000.00	435,000.00	3.000%			
			8/15/2027	435,000.00	435,000.00	3.000%			
			8/15/2028	455,000.00	455,000.00	3.125%			
			8/15/2029	465,000.00	465,000.00	3.250%			
			8/15/2030	480,000.00	480,000.00	3.375%			
			8/15/2031	495,000.00	495,000.00	3.375%			
			8/15/2032	515,000.00	515,000.00	3.375%			
			8/15/2033	530,000.00	530,000.00	3.625%			
			8/15/2034	420,000.00	420,000.00	3.625%			
			8/15/2035	365,000.00	365,000.00	3.625%			
			8/15/2036	250,000.00	250,000.00	3.625%			
		8/15/2037	205,000.00	205,000.00	3.875%				
		8/15/2038	215,000.00	215,000.00	3.875%				
		8/15/1939	215,000.00	215,000.00	3.875%				
		8/15/2040	225,000.00	225,000.00	3.875%				
		8/15/2041	235,000.00	235,000.00	3.875%				
		8/15/2042	145,000.00	145,000.00	3.875%				
Refunding Issue of 2019	11/14/2019	2,420,000.00	12/15/2023	200,000.00	200,000.00	4.000%	2,075,000.00	190,000.00	1,885,000.00
			12/15/2024	205,000.00	205,000.00	4.000%			
			12/15/2025	215,000.00	215,000.00	4.000%			
			12/15/2026	215,000.00	215,000.00	4.000%			
			12/15/2027	230,000.00	230,000.00	4.000%			
			12/15/2028	245,000.00	245,000.00	4.000%			
			12/15/2029	245,000.00	245,000.00	4.000%			
		12/15/2030	165,000.00	165,000.00	2.375%				
		12/15/2031	165,000.00	165,000.00	2.375%				

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**SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds					
			Date	Outstanding Dec. 31, 2022	Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
Refunding Issue of 2021	6/29/2021	6,285,000.00	8/15/2023	125,000.00	4.000%	6,285,000.00	150,000.00	6,135,000.00
			8/15/2024	130,000.00	4.000%			
			8/15/2025	135,000.00	4.000%			
			8/15/2026	140,000.00	4.000%			
			8/15/2027	145,000.00	4.000%			
			8/15/2028	155,000.00	4.000%			
			8/15/2029	160,000.00	4.000%			
			8/15/2030	165,000.00	4.000%			
			8/15/2031	175,000.00	4.000%			
			8/15/2032	180,000.00	4.000%			
			8/15/2033	185,000.00	4.000%			
			8/15/2034	195,000.00	4.000%			
			8/15/2035	200,000.00	4.000%			
			8/15/2041	1,355,000.00	3.000%			
			8/15/2046	1,330,000.00	3.000%			
			8/15/2051	1,360,000.00	3.000%			
						\$ 15,995,000.00	700,000.00	15,295,000.00

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF RURAL DEVELOPMENT ADMINISTRATION BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
			Date	Amount					
Sewerline Supplement	12/15/2011	1,815,000	2023	36,326.78	2.25%	\$ 1,500,252.38		35,523.02	1,464,729.36
			2024-2050	1,428,402.58					
1223-06 (b) Water Reuse	4/24/2013	100,000	2023	1,635.45	3.50%	88,572.24		1,579.67	86,992.57
			2024-2050	85,357.12					
1364-10 SSGC Phase II	4/24/2013	794,400	2023	14,393.25	2.75%	689,606.54		14,005.45	675,601.09
			2024-2050	661,207.84					
1417-12 / 1543-17 Grassy Sound Connection to Sewer System	6/22/2018	755,000	2023	13,644.89	2.00%	710,225.58		13,376.03	696,849.55
			2024-2058	683,204.66					
1417-12 / 1543-17 Grassy Sound Connection to Sewer System	6/22/2018	1,446,000	2023	26,131.28	2.00%	1,360,252.76		25,616.39	1,334,636.37
			2024-2058	1,308,505.09					
						\$ 4,348,909.50		90,100.56	4,258,808.94

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Bond, Notes or Grants Issued	Budget Appropriation	Cancelled	Balance Dec. 31, 2022
1364-10	Various Sewer Improvements: a. Shellbay, Shunpike, Crest Haven and Goshen Sewer Project - Supplement	\$ 296,600.00					296,600.00
1417-12							
/1543-17	Grassy Sound Connection to Sewer System	1,599,150.00					1,599,150.00
1453-13	Various Sewer Improvements	165,000.00					165,000.00
1619-21	Various Sewer Utility Improvements	2,565,000.00					2,565,000.00
		<u>\$ 4,625,750.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,625,750.00</u>

TOWNSHIP OF MIDDLE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF UTILITY CAPITAL IMPROVEMENT FUND

Balance December 31, 2021	<u>Ref.</u> D		\$	269,750.00
Increased By:				
Budget Appropriation		\$		280,000.00
			\$	280,000.00
				549,750.00
Decreased By:				
None				
				-
Balance December 31, 2022	D		\$	549,750.00

See Accompanying Auditor's Report

TOWNSHIP OF MIDDLE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

GENERAL COMMENTS

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

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 Township's bid threshold was \$44,000.

The governing body of the Township of Middle 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 a violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

The minutes indicate that bids were sought by public advertising for the following items:

- Landscaping Services at Various Township Locations
- Middle Twp Home Rehab
- Pump Station Improvements Phase II
- Home Rehab Contract
- 2022 Road Project
- Basketball Court Conversion
- Norbury Landing Park Improvements

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

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

BE IT RESOLVED by the Township Committee of the Township of Middle, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Middle, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

This Resolution shall take effect January 1, 2022.

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

Delinquent Taxes and Tax Title Liens

The tax sale was held and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number</u>
2022	601
2021	618
2020	692

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2023 and 2022 Taxes	10
Payment of Sewer Rents	10

Comparison of Tax Levies and Collections 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 Collections</u>
2022	\$ 57,122,322.36	56,916,555.79	99.64%
2021	55,143,856.97	54,834,906.64	99.44%
2020	53,604,406.26	53,397,137.34	99.61%
2019	52,130,021.73	51,843,006.81	99.45%
2018	51,136,391.07	50,811,556.27	99.36%

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 1.913	1.864	1.573	1.781	1.759
Apportionment of Tax Rate:					
Municipal	0.519	0.492	0.484	0.483	0.483
County	0.302	0.288	0.028	0.27	0.261
Local School	1.092	1.084	1.061	1.028	1.015
Assessed Valuation	2,814,910,482	2,781,280,220	2,765,781,146	2,760,445,921	2,745,517,626

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Of Tax Levy</u>
2022	\$ 703,377.14	41,601.74	744,978.88	1.30%
2021	701,653.42	25,299.68	726,953.10	1.39%
2020	829,694.12	17,049.46	846,743.58	1.66%
2019	730,133.46	11,531.54	741,665.00	1.49%
2018	793,721.01	23,334.62	817,055.63	1.69%

RECOMMENDATIONS

2022-1

We recommend that all Township Bank Accounts be reconciled to the General Ledger promptly and accurately on a monthly basis and that any and all differences be investigated and properly recorded and that interfund items be liquidated timely by the end of the subsequent month.

2022-2

We recommend that the General Ledger be maintained in an accurate and timely manner.

In accordance with *Audits of States, Local Governments and Non-Profit Organizations*, and Division of Local Government Services Regulations, a Corrective Action Plan must be prepared and filed by the Township in response to my recommendations.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

September 29, 2023