

TOWNSHIP OF MIDDLE

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

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TOWNSHIP OF MIDDLE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2023 and 2022, 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, 2023 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 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 June 28, 2024, 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

June 28, 2024

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EXHIBIT A - CURRENT FUND

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

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 12,242,251.67	8,737,613.82
Cash - Change	1,300.00	1,250.00
Total Cash	<u>12,243,551.67</u>	<u>8,738,863.82</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	34,322.18	35,523.55
Total Other Receivables	<u>34,322.18</u>	<u>35,523.55</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	11,491.71	41,601.74
Tax Title and Other Liens	737,625.76	703,377.14
Property Acquired for Taxes - at Assessed Valuation	2,793,475.72	2,793,475.72
Other Liens	16,818.22	2,484.00
Revenue Accounts Receivable	7,556.38	7,061.30
Due from Special Districts	-	633.52
Interfund Receivable:		
State and Federal Grant Fund	-	1,568,623.85
Animal Control Fund	2,671.05	44,384.06
Assessment Trust	3,492.90	1,338.77
Due from Payroll Trust	-	1,692.46
MAC Trust	10,000.00	10,000.00
Total Receivables and Other Assets	<u>3,583,131.74</u>	<u>5,174,672.56</u>
Deferred Charges:		
Overexpenditure of Appropriation Reserves	54,500.54	-
Total Deferred Charges	<u>54,500.54</u>	<u>-</u>
Total Regular Fund	<u>15,915,506.13</u>	<u>13,949,059.93</u>
Federal and State Grant Fund:		
Cash	215,597.94	-
Federal and State Grants Receivable	3,800,849.62	4,931,536.51
Total Federal and State Grant Fund	<u>4,016,447.56</u>	<u>4,931,536.51</u>
Total Current Fund	<u>\$ 19,931,953.69</u>	<u>18,880,596.44</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2023</u>	<u>2022</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,330,771.93	680,725.21
Reserve for Encumbrances	506,024.68	329,507.28
Accounts Payable	12,872.98	4,724.73
Prepaid Taxes	1,384,645.36	1,330,091.57
Prepaid Licenses and Fees	25,074.00	25,074.00
Overpaid Taxes	699.08	683.05
Local School Tax Payable	3,035,244.02	2,759,634.59
Reserve for Election Funds	147.90	1,497.90
County Added Tax Payable	63,249.50	44,465.41
Special District Tax Payable	15,414.00	15,414.00
Due to Water Districts	740.16	11,635.72
Reserve for Sale of Municipal Assets	1,318,312.04	906,000.00
Reserve for Developer Default	-	128,050.00
Reserve for Municipal Relief Aid	367,129.16	183,603.46
Interfund Payable:		
Other Trust Funds	73,589.00	73,589.00
Sewer Operating Fund	177,570.20	177,570.20
	<u>8,311,484.01</u>	<u>6,672,266.12</u>
Reserve for Receivables and Other Assets	3,583,131.74	5,174,672.56
Fund Balance	<u>4,020,890.38</u>	<u>2,102,121.25</u>
Total Regular Fund	<u>15,915,506.13</u>	<u>13,949,059.93</u>
Federal and State Grant Fund:		
Unappropriated Reserves	163,350.75	180,729.19
Appropriated Reserves	3,469,039.25	2,607,809.24
Encumbrances Payable	377,300.27	567,616.94
Due to Current Fund	-	1,568,623.85
Unallocated Grant Receipts	6,757.29	6,757.29
Total Federal and State Grant Fund	<u>4,016,447.56</u>	<u>4,931,536.51</u>
Total Current Fund	<u>\$ 19,931,953.69</u>	<u>18,880,596.44</u>

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

	2023	2022
Revenue and Other Income Realized		
Fund Balance	\$ 1,800,000.00	1,700,000.00
Miscellaneous Revenue Anticipated	10,026,499.08	8,990,354.01
Receipts from Delinquent Taxes	105,924.15	77,627.88
Receipts from Current Taxes	59,552,074.48	56,916,555.79
Non Budget Revenue	626,021.04	903,624.99
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	455,919.60	451,431.58
Cancellation of Prior Year Accounts Payable	1,109.00	-
Reserve for Developer Default Cancelled	128,050.00	-
Interfund Returned	978,574.31	-
Total Income	73,674,171.66	69,039,594.25
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	9,325,820.00	9,355,493.80
Other Expenses	10,270,140.00	9,645,390.00
Deferred Charges & Statutory Expenditures	3,022,411.00	2,803,634.18
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	195,441.40	227,841.40
Other Expenses	2,521,160.24	1,564,885.84
Capital Improvements	146,000.00	120,000.00
Debt Service	1,295,392.03	1,286,795.45
Deferred Charges	-	-
Local District School Tax	31,313,802.00	29,733,599.00
Special District Taxes	3,022,711.00	2,965,657.00
County Tax	8,773,051.41	8,459,258.10
County Share of Added Tax	63,249.50	44,465.41
Interfund Created	6,163.95	925,958.51
Overexpenditure of Appropriations Reserves	54,500.54	-
Other:		
Senior Citizen Deduction Disallowed Prior Year	-	-
Refund of Prior Year Revenue	60.00	270,028.93
Grants Receivable Cancelled	-	-
Total Expenditures	70,009,903.07	67,403,007.62
Excess/(Deficit) in Revenue	3,664,268.59	1,636,586.63

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

	2023	2022
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year		
Overexpenditure of Appropriation Reserve	54,500.54	-
Total Adjustments	54,500.54	-
Statutory Excess to Fund Balance	3,718,769.13	1,636,586.63
Fund Balance January 1	2,102,121.25	2,165,534.62
	5,820,890.38	3,802,121.25
Decreased by:		
Utilization as Anticipated Revenue	1,800,000.00	1,700,000.00
Fund Balance December 31	\$ 4,020,890.38	2,102,121.25

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		
	Budget	N.J.S. 40A:4-87	Realized
Fund Balance Anticipated	\$ 1,800,000.00		1,800,000.00
Total Fund Balance Anticipated	<u>1,800,000.00</u>	<u>-</u>	<u>1,800,000.00</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	5,700.00		6,512.00
Other	18,400.00		87,594.00
Fees and Permits	220,000.00		190,923.21
Fines and Costs:			
Municipal Court	110,000.00		141,632.54
Interest and Costs on Taxes	102,000.00		222,394.55
Interest Earned on Investments	21,000.00		437,688.70
Registrar of Vital Statistics - Fees	50,000.00		47,298.36
Trailer Tax	138,000.00		145,260.00
Hotel/Motel Tax	53,250.00		113,387.51
Cable TV and Franchise Fee	325,000.00		324,783.24
Total Section A: Local Revenues	<u>1,043,350.00</u>	<u>-</u>	<u>1,717,474.11</u>
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	3,544,073.00		3,544,072.72
Garden State Preservation Trust Fund	47,481.00		58,470.00
Municipal Relief Fund Aid	183,603.00		183,603.00
Total Section B: State Aid Without Offsetting Appropriations	<u>3,775,157.00</u>	<u>-</u>	<u>3,786,145.72</u>
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	391,542.00		391,904.29
Total Section C: Uniform Construction Code Fees	<u>391,542.00</u>	<u>-</u>	<u>391,904.29</u>
			<u>674,124.11</u>
			(0.28)
			10,989.00
			-
			10,988.72
			362.29
			362.29

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
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 Officers (SRO) - Cape May County Technical School & Middle Township Board of Education	195,441.40		211,353.98	15,912.58
Middle Township Fire District #1 - JIF Insurance	34,910.00		34,910.00	-
Middle Township Fire District #2 - JIF Insurance	21,255.00		21,254.00	(1.00)
Middle Township Fire District #3 - JIF Insurance	19,829.00		19,828.00	(1.00)
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	271,435.40	-	287,345.98	15,910.58
Section F: Special Items - Public and Private Programs Off-Set with Appropriations				
Recycling Tonnage Grant	113,693.22		113,693.22	-
Body Armor Grant	3,561.88		3,561.88	-
Local Grant - School Security	2,250.00		2,250.00	-
Local Grant - Senior Center	14,500.00		14,500.00	-
Local Grant - Cascade Corporation - Senior Center	16,700.00	16,700.00	16,700.00	-
Drive Sober or Get Pulled Over	3,920.00	3,920.00	3,920.00	-
NJDEP - Stormwater Assistance Grant	25,000.00	25,000.00	25,000.00	-
Cape May County - CDBG - Senior Center HVAC	76,639.00	76,639.00	76,639.00	-
Cape May County - CDBG - MLK Center HVAC	124,880.00	124,880.00	124,880.00	-
Bulletproof Vest Partnership Grant	8,671.50	8,671.50	8,671.50	-
Drive Sober or Get Pulled Over - 2023	7,000.00	7,000.00	7,000.00	-
Local Grant - Nationwide Opioids Settlement Fund	6,766.88	6,766.88	6,766.88	-
2023 Summer Shore Pedestrian Awareness	5,250.00	5,250.00	5,250.00	-
NJ DCA - Local Rec. Impv. Grant - Playground Improvements	78,000.00	78,000.00	78,000.00	-
Cape May County - Municipal Code Blue Warming Center	25,000.00	25,000.00	25,000.00	-
CMC ARPA Grant - DelHaven Infrastructure Imprv.	400,000.00	400,000.00	400,000.00	-
Clean Communities	64,502.65	64,502.65	64,502.65	-
Local Grant - Middle Township School Security	3,000.00	3,000.00	3,000.00	-
Safe & Secure Communities Grant	32,400.00	32,400.00	32,400.00	-
2023 Summer Expansion Program	7,067.20	7,067.20	7,067.20	-
Click it or Ticket	7,000.00	7,000.00	7,000.00	-
2023 U Drive U Text U Pay	5,250.00	5,250.00	5,250.00	-
CDBG - Del Haven Water Connections	395,551.00	395,551.00	395,551.00	-
CDBG - Clarence Davies Rec Complex Plygrd	400,000.00	400,000.00	400,000.00	-

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

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
CMC Open Space - Ockie Wisting Creative Placemaking Imple		215,835.00	215,835.00	-
Bullet Proof Vest Partnership 2022		5,070.00	5,070.00	-
Body Armor Grant		2,460.91	2,460.91	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	134,005.10	1,915,964.14	2,049,969.24	-
Section G: Other Special Items				
Borough of Woodbine - Municipal Court - Interlocal	38,000.00		117,475.37	79,475.37
Sewer Utility - Management Fee	340,000.00		340,000.00	-
Payment in Lieu of Taxes - Conifer	100,000.00		108,458.36	8,458.36
Cape Regional Medical Center Community Service Payments	270,200.00		322,726.01	52,526.01
Reserve to Pay Debt Service	25,000.00		25,000.00	-
Sale of Land	230,000.00		230,000.00	-
Grant Receivable - County Open Space	650,000.00		650,000.00	-
Total Section G: Other Special Items	1,653,200.00	-	1,793,659.74	140,459.74
Total Miscellaneous Revenues:	7,268,689.50	1,915,964.14	10,026,499.08	841,845.44
Receipts from Delinquent Taxes	77,229.00		105,924.15	28,695.15
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	16,115,426.82		16,776,022.39	660,595.57
Total Amount to be Raised by Taxes for Support of Municipal Budget	16,115,426.82	-	16,776,022.39	660,595.57
Budget Totals	25,261,345.32	1,915,964.14	28,708,445.62	1,531,136.16
Non- Budget Revenues:				
Other Non- Budget Revenues:			626,021.04	626,021.04
	25,261,345.32	1,915,964.14	29,334,466.66	2,157,157.20

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 59,552,074.48
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Less: Reserve for Tax Appeals Pending	-
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Net Revenue from Collections	59,552,074.48
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Allocated to:

School, County and Other Taxes	43,172,813.91
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Balance for Support of Municipal Budget Appropriations	16,379,260.57
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	396,761.82
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Amount for Support of Municipal Budget Appropriations	16,776,022.39
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 32,573.64
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Tax Title Lien Collections	73,350.51
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Total Receipts from Delinquent Taxes	105,924.15
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

FY22 Department of Treasury	20,825.00
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Avalon Fishing Pier	6,440.00
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Scrapo - American	2,700.00
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Premium Escheat to Township	3,000.00
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Interlocal Board of Ed. Trash Removal	32,810.00
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Premium Escheated to Township	5,921.65
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Cape May County MUA Additional HCB	326,060.41
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CMC MUA Recycling Rebate	159,185.99
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USPS Ground Lease	7,200.00
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Dog Excess	1,704.86
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Miscellaneous	57,374.10
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Senior Citizen and Veteran Administration Fee	2,799.03
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Total Miscellaneous Revenue Not Anticipated:	626,021.04
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**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	192,800.00	192,800.00	191,220.37		1,579.63	
Other Expenses	56,000.00	71,000.00	63,535.67	5,124.70	2,339.63	
Human Resources - Personnel						
Salaries and Wages	115,500.00	115,500.00	115,008.33		491.67	
Other Expenses	31,000.00	31,000.00	17,507.93	1,467.40	12,024.67	
Mayor and Committee						
Salaries and Wages	52,320.00	52,320.00	52,320.00		-	
Township Clerk						
Salaries and Wages	190,000.00	190,000.00	189,528.41		471.59	
Other Expenses						
Codification of Ordinances	8,600.00	8,600.00	2,740.00	1,427.00	4,433.00	
Miscellaneous Other Expenses	38,000.00	38,000.00	37,450.31	548.14	1.55	
Public Affairs/Information/Events						
Other Expenses	10,000.00	10,000.00	10,000.00		-	
Financial Administration						
Salaries and Wages	260,000.00	260,000.00	257,726.09		2,273.91	
Other Expenses	34,000.00	34,000.00	29,265.36	447.19	4,287.45	
Information Technology						
Salaries and Wages	81,000.00	81,000.00	80,661.01		338.99	
Other Expenses	13,400.00	13,400.00	10,845.89	436.75	2,117.36	
Audit Services						
Other Expenses	32,500.00	32,500.00	32,500.00		-	
Collection of Taxes						
Salaries and Wages	205,250.00	205,250.00	203,512.09	1,901.69	1,737.91	
Other Expenses	36,400.00	36,400.00	30,168.95		4,329.36	
Assessment of Taxes						
Salaries and Wages	199,450.00	200,450.00	200,270.18		179.82	
Other Expenses	44,000.00	63,000.00	36,626.48	19,921.37	6,452.15	

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, 2023**

	Appropriations		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	36,000.00	36,000.00	18,787.68	9,851.32	7,361.00	
Legal Services						
Other Expenses	310,000.00	310,000.00	251,074.25	33,670.02	25,255.73	
Engineering Services						
Other Expenses	160,000.00	160,000.00	93,389.11	4,792.57	61,818.32	
Grants Administration						
Salaries and Wages	59,250.00	59,250.00	58,439.84		810.16	
Other Expenses	26,500.00	39,500.00	34,075.37	3,600.00	1,824.63	
Municipal Court						
Salaries and Wages	251,000.00	251,000.00	215,113.52		35,886.48	
Other Expenses	30,730.00	30,730.00	15,371.32	2,641.83	12,716.85	
Public Defender						
Other Expenses	18,000.00	18,000.00	18,000.00		-	
LAND USE ADMINISTRATION						
Planning Board						
Smart Growth Expense	5,000.00	5,000.00	472.80		4,527.20	
Zoning Board of Adjustment						
Salaries and Wages	125,000.00	125,000.00	116,752.80		8,247.20	
Other Expenses	46,000.00	46,000.00	23,393.27	7,512.38	15,094.35	
CODE ENFORCEMENT ADMINISTRATION						
Code Enforcement Officer						
Salaries and Wages	83,500.00	83,500.00	82,767.41		732.59	
Other Expenses	5,000.00	5,000.00	2,636.99	400.00	1,963.01	
Demolition of Substandard Buildings						
Other Expenses	10,000.00	10,000.00			10,000.00	
INSURANCE						
General Liability Insurance	470,000.00	307,000.00	289,721.11	1,344.00	15,934.89	
Workers Compensation Insurance	530,000.00	530,000.00	477,783.28		52,216.72	
Employee Group Health	3,593,910.00	3,593,910.00	3,593,910.00		-	
Health Benefit Waivers						
Salaries and Wages	100,000.00	100,000.00	65,852.26		34,147.74	

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, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC SAFETY						
Police						
Salaries and Wages	5,500,000.00	5,500,000.00	5,373,258.71		126,741.29	
Other Expenses	373,500.00	373,500.00	201,024.44	162,506.43	9,969.13	
Police and Radio Communications						
Other Expenses	7,000.00	7,000.00	207.00		6,793.00	
Dispatch Services	345,000.00	415,000.00	414,000.00		1,000.00	
Rescue Squad						
Other Expenses	115,000.00	115,000.00	100,000.00		15,000.00	
Emergency Management Services						
Other Expenses	1,500.00	1,500.00			1,500.00	
Municipal Prosecutor						
Other Expenses	36,000.00	36,000.00	36,000.00		-	
PUBLIC WORKS						
Road Repair and Maintenance						
Salaries and Wages	1,255,000.00	1,325,000.00	1,309,465.06		15,534.94	
Other Expenses	142,150.00	142,150.00	87,270.55	1,270.48	53,608.97	
Motor Pool	264,500.00	264,500.00	204,727.29	32,416.40	27,356.31	
Storm Recovery						
Other Expenses	22,000.00	22,000.00	22,000.00		-	
Shade Tree Commission						
Other Expenses	750.00	750.00	65.28		684.72	
Garbage and Trash Removal - Contractual	550,000.00	550,000.00	502,097.37	45,645.21	2,257.42	
Recycling Contractual	550,000.00	550,000.00	502,097.36	45,645.22	2,257.42	
Public Buildings and Grounds						
Other Expenses	425,000.00	425,000.00	386,022.43	20,870.58	18,106.99	
RECREATION AND EDUCATION						
Recreation						
Salaries and Wages	362,000.00	362,000.00	346,125.45		15,874.55	
Other Expenses	55,000.00	55,000.00	33,878.40	1,627.89	19,493.71	
Senior Center						
Salaries and Wages	53,250.00	54,750.00	54,602.34		147.66	
Other Expenses	23,000.00	23,000.00	13,712.54	585.00	8,702.46	
Beach Restoration						
Other Expenses	100.00	100.00			100.00	

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, 2023**

	Appropriations		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	68,000.00	72,500.00	71,096.84		1,403.16	
Other Expenses	8,000.00	8,000.00	3,350.27	550.00	4,099.73	
Animal Control - Animal Shelter						
Contractual	200,000.00	200,000.00	198,091.42		1,908.58	
Gypsy Moth						
Other Expenses	30,000.00	30,000.00	8,558.25		21,441.75	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	75,000.00	75,500.00	75,182.55		317.45	
Other Expenses	12,000.00	12,500.00	7,581.07	4,617.42	301.51	
Contractual	69,000.00	69,000.00	69,000.00		-	
Fire Protection						
Other Expenses	5,000.00	5,000.00			5,000.00	
UNCLASSIFIED						
Terminal Leave	20,000.00	20,000.00	20,000.00		-	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UTILITY EXPENSES AND BULK PURCHASES						
Water	21,000.00	23,000.00	21,118.83	806.33	1,074.84	
Electricity	403,000.00	403,000.00	351,426.74	37,314.79	14,258.47	
Internet	32,000.00	32,000.00	27,145.23	1,513.02	3,341.75	
Telephone	100,000.00	100,000.00	69,164.44	3,519.26	27,316.30	
Natural Gas	93,250.00	93,250.00	32,348.27	7,291.67	53,610.06	
Gasoline	330,000.00	300,000.00	232,844.68	17,469.92	49,685.40	
Street Lighting	9,000.00	9,000.00	2,690.60		6,309.40	
Sanitary Landfill - Contractual	575,000.00	575,000.00	494,019.51		80,980.49	
TOTAL OPERATIONS WITHIN "CAPS"	<u>19,591,960.00</u>	<u>19,595,960.00</u>	<u>18,188,601.00</u>	<u>478,735.98</u>	<u>928,623.02</u>	<u>-</u>
Contingent	-	-	-	-	-	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>19,591,960.00</u>	<u>19,595,960.00</u>	<u>18,188,601.00</u>	<u>478,735.98</u>	<u>928,623.02</u>	<u>-</u>
Detail:						
Salaries and Wages	9,248,320.00	9,325,820.00	9,078,903.26	-	246,916.74	-
Other Expenses	10,343,640.00	10,270,140.00	9,109,697.74	478,735.98	681,706.28	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
None	-	-	-	-	-	
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	550,704.00	550,704.00	547,347.46		3,356.54	
Social Security System (O.A.S.I.)	780,000.00	750,000.00	691,895.20		58,104.80	
Police and Firemen's Retirement System	1,684,207.00	1,684,207.00	1,684,207.00		-	
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00		-	
Defined Contribution Retirement Program	22,500.00	22,500.00	18,651.76		3,848.24	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>3,052,411.00</u>	<u>3,022,411.00</u>	<u>2,957,101.42</u>	<u>-</u>	<u>65,309.58</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>22,644,371.00</u>	<u>22,618,371.00</u>	<u>21,145,702.42</u>	<u>478,735.98</u>	<u>993,932.60</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, 2023**

	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"						
SFSP Appropriation	6,437.00	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			
Insurance - Employee Group Health			6,631.97	27,288.70	291,639.33	
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	34,910.00	34,910.00	34,910.00			
Interlocal - Middle Township Fire District #2						
JIF Insurance	21,255.00	21,255.00	21,255.00			
Interlocal - Middle Township Fire District #3						
JIF Insurance	19,829.00	19,829.00	19,829.00			
	<u>666,632.40</u>	<u>666,632.40</u>	<u>342,504.37</u>	<u>27,288.70</u>	<u>296,839.33</u>	<u>-</u>
(A) Public and Private Programs Off-Set by Revenues						
Recycling Tonnage Grant	3,561.88	3,561.88	3,561.88			
Body Armor Grant	113,693.22	113,693.22	113,693.22			
Local Grant - School Security	2,250.00	2,250.00	2,250.00			
Local Grant - Senior Center	14,500.00	14,500.00	14,500.00			
Local Grant - Cascade Corporation - Senior Center		16,700.00	16,700.00			
Drive Sober or Get Pulled Over		3,920.00	3,920.00			
NJDEP - Stormwater Assistance Grant		25,000.00	25,000.00			
Cape May County - CDBG - Senior Center HVAC		76,639.00	76,639.00			
Cape May County - CDBG - MLK Center HVAC		124,880.00	124,880.00			
Bulletproof Vest Partnership Grant		8,671.50	8,671.50			
Drive Sober or Get Pulled Over - 2023		7,000.00	7,000.00			
Local Grant - Nationwide Opioids Settlement Fund		6,766.88	6,766.88			
2023 Summer Shore Pedestrian Awareness		5,250.00	5,250.00			
NJ DCA - Local Rec. Impv. Grant - Playground Improvements		78,000.00	78,000.00			
Cape May County - Municipal Code Blue Warming Center		25,000.00	25,000.00			
CMC ARPA Grant - DelHaven Infrastructure Imprv.		400,000.00	400,000.00			
Clean Communities		64,502.65	64,502.65			
Local Grant - Middle Township School Security		3,000.00	3,000.00			
Safe & Secure Communities Grant		32,400.00	32,400.00			
2023 Summer Expansion Program		7,067.20	7,067.20			

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, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Click it or Ticket		7,000.00	7,000.00	-	-	
2023 U Drive U Text U Pay		5,250.00	5,250.00	-	-	
CDBG - Del Haven Water Connections		395,551.00	395,551.00	-	-	
CDBG - Clarence Davies Rec Complex Plygrd		400,000.00	400,000.00	-	-	
CMC Open Space - Ockie Wisting Creative Placemaking Imple		215,835.00	215,835.00	-	-	
Bullet Proof Vest Partnership 2022		5,070.00	5,070.00	-	-	
Body Armor Grant		2,460.91	2,460.91	-	-	
Total Public and Private Programs Off-Set by Revenues	134,005.10	2,049,969.24	2,049,969.24	-	-	-
Total Operations - Excluded from "CAPS"	800,637.50	2,716,601.64	2,392,473.61	27,288.70	296,839.33	-
Detail:						
Salaries and Wages	195,441.40	195,441.40	195,441.40	-	-	-
Other Expenses	605,196.10	2,521,160.24	2,197,032.21	27,288.70	296,839.33	-
(C) Capital Improvements	80,000.00	106,000.00	106,000.00	-	40,000.00	-
Capital Improvement Fund	40,000.00	40,000.00				
Improvements to Municipal Buildings/Grounds/Equipment						
Total Capital Improvements	120,000.00	146,000.00	106,000.00	-	40,000.00	-
(D) Debt Service	735,000.00	735,000.00	735,000.00	-	-	-
Payment of Bond Principal	200,000.00	200,000.00	200,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	105,000.00	105,000.00	104,668.76	-	-	331.24
Interest on Bonds	163,000.00	163,000.00	162,937.49	-	-	62.51
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	70,500.00	70,500.00	66,714.48	-	-	3,785.52
Capital Lease Obligations:						
Principal	24,690.00	24,690.00	24,690.00	-	-	-
Interest	1,385.00	1,385.00	1,381.30	-	-	3.70
Total Debt Service	1,299,575.00	1,299,575.00	1,295,392.03	-	-	4,182.97
(E) Deferred Charges	-	-	-	-	-	-
None						
Total Deferred Charges	-	-	-	-	-	-

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	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"	2,220,212.50	4,162,176.64	3,793,865.64	27,288.70	336,839.33	4,182.97
SUBTOTAL GENERAL APPROPRIATIONS	24,864,583.50	26,780,547.64	24,939,568.06	506,024.68	1,330,771.93	4,182.97
(M) Reserve for Uncollected Taxes	396,761.82	396,761.82	396,761.82	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 25,261,345.32	27,177,309.46	25,336,329.88	506,024.68	1,330,771.93	4,182.97
Budget		\$ 25,261,345.32			Cancelled	\$ 4,182.97
Appropriations by 40A:4-87		1,915,964.14			Overexpended	-
Emergency Appropriations		27,177,309.46				4,182.97
Reserve for Uncollected Taxes			\$ 396,761.82			
Federal and State Grants			2,056,406.24			
Disbursements			22,883,161.82			
			25,336,329.88			

EXHIBIT B - TRUST FUND

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

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
<u>Animal Control Fund</u>		
Cash	\$ 10,972.25	53,596.26
	<u>10,972.25</u>	<u>53,596.26</u>
<u>Assessment Fund</u>		
Cash	163,458.51	165,598.31
Assessments Receivable	456,730.89	522,325.89
	<u>620,189.40</u>	<u>687,924.20</u>
<u>Other Funds</u>		
Cash - Treasurer	4,852,710.36	3,624,131.90
Cash - Collector	221,525.02	897,394.42
Grant Receivable	9,403.93	8,715.49
Loans Receivable - UDAG	68,429.72	71,303.78
Due from Current Fund	73,589.00	73,589.00
Due from Utility Operations	-	5,564.85
Accounts Receivable	46,929.46	46,929.46
	<u>5,272,587.49</u>	<u>4,727,628.90</u>
	<u>\$ 5,903,749.14</u>	<u>5,469,149.36</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2023</u>	<u>2022</u>
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 6,534.20	7,476.00
Due to State of New Jersey	192.00	7.20
Prepaid Licenses	1,575.00	1,729.00
Interfunds:		
Due to Current Fund	2,671.05	44,384.06
	<u>10,972.25</u>	<u>53,596.26</u>
<u>Assessment Fund</u>		
Due to the Current Fund	3,492.90	1,338.77
Assessment Serial Bonds	560,000.00	630,000.00
Reserve for Assessments	56,696.50	56,585.43
	<u>620,189.40</u>	<u>687,924.20</u>
<u>Other Funds</u>		
Reserve for:		
Community Development Block Grant	2,676.80	2,676.80
Deposits for Redemption of Tax Liens	184,525.02	36,494.42
Tax Sale Premiums	37,000.00	860,900.00
Unemployment Compensation	199,585.53	198,721.59
Escrow Deposits	2,326,119.70	1,403,967.73
Street Openings	23,270.00	12,270.00
Sewer Escrows	166,946.31	151,946.31
Smart Growth Plan	33,013.31	33,013.31
Housing Rehabilitation	46,662.76	43,612.76
Parking Offense Adjudication Act	325.00	321.00
Urban Aid	728,162.81	712,388.74
Recreation Dedicated Trust	153,307.54	138,838.05
Police Forfeiture	10,132.67	11,189.50
Special Police Detail	262,423.32	260,855.27
Snow Removal	113,330.21	96,330.21
Subdivisions - Map Changes	3,821.10	19,682.50
Accumulated Absences	290,473.03	361,755.68
Donations - Bus Shelters	836.08	836.08
Council on Affordable Housing - Fees	549,958.68	222,363.64
Animal Advisory Awareness	937.90	886.68
Payroll	43,464.00	41,136.39
Construction Code Fees	6,046.00	6,046.00
Loans Receivable - UDAG	68,429.72	71,303.78
Due to Current Fund	10,000.00	11,692.46
Due to State of New Jersey:		
Construction Code Fees	9,715.00	28,400.00
Marriage Licenses	1,425.00	-
	<u>5,272,587.49</u>	<u>4,727,628.90</u>
	<u>\$ 5,903,749.14</u>	<u>5,469,149.36</u>

EXHIBIT C - CAPITAL FUND

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

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash and Investments	\$ 2,114,750.83	2,155,828.53
Deferred Charges to Future Taxation -		
Funded	4,019,661.67	4,815,560.54
Unfunded	8,489,845.87	7,183,181.87
Deferred Charge - Overexpenditure of Capital Improvement Fund	25,491.65	25,491.65
	<u>14,649,750.02</u>	<u>14,180,062.59</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Contracts Payable	728,858.14	765,968.47
Bond Anticipation Notes Payable	6,145,000.00	4,345,000.00
Serial Bonds Payable	3,785,000.00	4,520,000.00
Improvement Authorizations:		
Funded	137,420.93	169,894.61
Unfunded	3,325,621.01	3,834,336.60
Green Trust Loan Payable	234,661.67	295,560.54
Reserve to Pay Notes	47,205.45	33,983.55
Capital Improvement Fund	30,664.00	-
Fund Balance	215,318.82	215,318.82
	<u>\$ 14,649,750.02</u>	<u>14,180,062.59</u>

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

2022	\$	2,838,181.87
2023		2,344,845.87

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

	<u>2023</u>	<u>2022</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>

EXHIBIT D - SEWER UTILITY FUND

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

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 1,360,550.15	1,098,051.03
Due from Sewer Capital Fund	-	178,353.00
Due from Current Fund	<u>177,570.20</u>	<u>177,570.20</u>
	<u>1,538,120.35</u>	<u>1,453,974.23</u>
Receivables With Full Reserves		
Consumer Accounts Receivable	54,584.04	4,016.39
Sewer Liens Receivable	<u>2,381.00</u>	<u>1,557.36</u>
	<u>56,965.04</u>	<u>5,573.75</u>
Deferred Charges:		
Overexpenditure of Appropriations	<u>-</u>	<u>20,687.49</u>
	<u>-</u>	<u>20,687.49</u>
Total Operating Fund	<u>1,595,085.39</u>	<u>1,480,235.47</u>
Capital Fund:		
Cash and Investments	950,499.43	942,969.36
Fixed Capital:		
Completed	30,557,713.51	30,557,713.51
Authorized and Uncompleted	<u>23,915,229.73</u>	<u>22,990,229.73</u>
Total Capital Fund	<u>55,423,442.67</u>	<u>54,490,912.60</u>
	<u>\$ 57,018,528.06</u>	<u>55,971,148.07</u>

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

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

	2023	2022
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 63,247.28	12,567.89
Encumbrances Payable	16,320.43	30,463.45
Prepaid Rents	584,095.30	544,910.36
Accrued Interest on Bonds and Notes	244,913.10	216,807.72
Due to Sewer Escrow Fund	-	5,564.85
Bond Issue Costs Payable	15,058.70	15,058.70
	923,634.81	825,372.97
Reserve for Receivables	56,965.04	5,573.75
Fund Balance	614,485.54	649,288.75
Total Operating Fund	1,595,085.39	1,480,235.47
Capital Fund:		
Serial Bonds Payable	14,580,000.00	15,295,000.00
Bond Anticipation Notes Payable	4,600,000.00	2,500,000.00
Loans Payable	4,166,761.42	4,258,808.94
Contracts Payable	462,303.73	2,605,127.45
Due to Sewer Operating Fund	-	178,353.00
Reserve to Pay Bonds	1,047,172.70	1,105,360.19
Reserve to Pay Notes	66,990.25	38,378.25
Capital Improvement Fund	824,750.00	549,750.00
Improvement Authorizations		
Funded	197,076.98	197,076.98
Unfunded	1,788,099.12	879,816.84
Reserve for Amortization	26,638,451.18	25,831,403.66
Deferred Reserve for Amortization	1,036,980.64	1,036,980.64
Fund Balance	14,856.65	14,856.65
Total Capital Fund	55,423,442.67	54,490,912.60
	\$ 57,018,528.06	55,971,148.07

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

2023	3,450,750.00
2022	4,625,750.00

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

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

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 225,000.00	230,000.00
Sewer Rents	5,076,117.04	5,112,301.38
Miscellaneous	330,128.99	137,180.83
Reserve to pay Debt Service	58,187.49	-
Miscellaneous Revenue Not Anticipated	343.32	-
Other Credits to Income:		
Accounts Payable Cancelled	-	3,650.00
Unexpended Balance of Appropriation Reserves	8,128.42	52,941.32
Total Income	<u>5,697,905.26</u>	<u>5,536,073.53</u>
Expenditures:		
Operations:		
Salaries and Wages	274,000.00	246,000.00
Other Expenses	300,250.00	272,700.00
Insurance	40,000.00	4,000.00
CMCMUA User Charges	2,635,000.00	2,780,000.00
Capital Improvements	275,000.00	280,000.00
Debt Service	1,556,770.98	1,495,870.64
Deferred Charges and Statutory Expenditures	426,687.49	406,847.22
Total Expenditures	<u>5,507,708.47</u>	<u>5,485,417.86</u>
Excess in Revenue	190,196.79	50,655.67
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	-	20,687.49
Fund Balance January 1	<u>190,196.79</u> <u>649,288.75</u>	<u>71,343.16</u> <u>807,945.59</u>
Decreased By:	839,485.54	879,288.75
Utilization as Anticipated Revenue	<u>225,000.00</u>	<u>230,000.00</u>
Balance December 31	<u>\$ 614,485.54</u>	<u>649,288.75</u>

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

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

	2023	2022
Balance December 31,	\$ <u>14,856.65</u>	<u>14,856.65</u>
Increased By:		
None	<u>-</u>	<u>-</u>
	14,856.65	14,856.65
Decreased By:		
None	<u>-</u>	<u>-</u>
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 integral part of this statement

SEWER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Fund Balance Anticipated	\$ 225,000.00	225,000.00	-
Anticipated Revenue:			
Sewer Rents	5,112,000.00	5,076,117.04	(35,882.96)
Miscellaneous	125,000.00	330,128.99	205,128.99
Reserve to Pay Debt Service	58,187.49	58,187.49	-
Miscellaneous Revenue Not Anticipated	-	343.32	343.32
	<u>5,295,187.49</u>	<u>5,464,776.84</u>	<u>169,589.35</u>
Total Revenue	<u>\$ 5,520,187.49</u>	<u>5,689,776.84</u>	<u>169,589.35</u>

Analysis of Realized Revenue:

Sewer Rents			
Accounts Receivable	\$ 4,529,946.68		
Liens Receivable	1,260.00		
Sewer Overpayments Applied	544,910.36		
Total Sewer Rents		<u>\$ 5,076,117.04</u>	
Miscellaneous Revenue			
Interest on Investments	75,300.21		
Miscellaneous	1,064.00		
Penalties on Delinquent Accounts	43,474.78		
Connection/Disconnection Fee	203,090.00		
Application Fees	7,200.00		
Total Miscellaneous		<u>330,128.99</u>	

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

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 274,000.00	274,000.00	263,007.66	10,992.34	
Other Expenses	300,250.00	300,250.00	296,318.96	3,931.04	
Insurance	65,000.00	40,000.00	40,000.00	-	
MUA User Charges	2,650,000.00	2,635,000.00	2,597,556.00	37,444.00	
	<u>3,289,250.00</u>	<u>3,249,250.00</u>	<u>3,196,882.62</u>	<u>52,367.38</u>	-
Capital Improvements:					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	
Down Payments on Improvements	225,000.00	225,000.00	225,000.00	-	
	<u>275,000.00</u>	<u>275,000.00</u>	<u>275,000.00</u>	<u>-</u>	-
Debt Service:					
Payment of Bond Principal	807,500.00	807,500.00	807,131.64	-	368.36
Interest on Bonds	628,000.00	628,000.00	616,576.84	-	11,423.16
Interest on Notes	93,750.00	133,750.00	133,062.50	-	687.50
	<u>1,529,250.00</u>	<u>1,569,250.00</u>	<u>1,556,770.98</u>	<u>-</u>	<u>12,479.02</u>
Deferred Charges and Statutory Expenditures					
Township of Middle - Management Fee/Indirect Costs	340,000.00	340,000.00	340,000.00	-	
Overexpenditure of Appropriations	20,687.49	20,687.49	20,687.49	-	
Public Employee's Retirement System	45,000.00	45,000.00	35,000.00	10,000.00	
Social Security System (O.A.S.I.)	21,000.00	21,000.00	20,120.10	879.90	
	<u>426,687.49</u>	<u>426,687.49</u>	<u>415,807.59</u>	<u>10,879.90</u>	-
	<u>\$ 5,520,187.49</u>	<u>5,520,187.49</u>	<u>5,444,461.19</u>	<u>63,247.28</u>	<u>12,479.02</u>
Adopted Budget		\$ 5,520,187.49		Cancelled	12,479.02
Emergency Authorization		-		Overexpenditures	-
		<u>5,520,187.49</u>			<u>12,479.02</u>
Cash Disbursed		\$ 5,379,347.89			
Deferred Charges - Emergency Authorizations		20,687.49			
Accrued Interest on Bonds and Notes		28,105.38			
Encumbered		16,320.43			
		<u>5,444,461.19</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>2023</u>	<u>2022</u>
<u>Assets</u>		
Land	\$ 2,610,143.85	2,614,728.85
Land Improvements	6,377,862.19	6,426,072.63
Building and Building Improvements	7,544,163.44	7,544,163.44
Machinery, Equipment and Vehicles	10,411,476.60	9,558,669.23
	<hr/>	<hr/>
Total General Fixed Assets	<u>26,943,646.08</u>	<u>26,143,634.15</u>
<u>Liabilities, Reserves, and Fund Balance</u>		
Investment in General Fixed Assets	\$ <u>26,943,646.08</u>	<u>26,143,634.15</u>

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

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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 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, 2023 AND 2022

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.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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 township 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 quarterly and due on Jan 1, April 1, July 1 and October 1.

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, 2023 AND 2022

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 April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No.99, "Omnibus 2022". This statement, and the requirements related to leases, PPP's and SBITAs which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, may have an effect on the Township's financial statements. This statement, and the requirements related financial guarantees and the classification and reporting of derivative instruments which is effective for fiscal years 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. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, may have an 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 fiscal years beginning after December 15, 2023, will not have an effect on the Township's financial statements.

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement, which is effective for fiscal years beginning after June 15, 2024, will not have any significant effect on the Township's financial statements.

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 2023 and 2022 statutory budgets included a reserve for uncollected taxes in the amount of \$396,761.82 and \$375,567.05. To balance the budget, the township is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2023 and 2022 statutory budgets was \$1,800,000.00 and \$1,700,000.00. 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 2023 and 2022 statutory budgets was \$225,000.00 and \$230,000.00. 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, 2023 AND 2022

The following significant budget transfers were approved in the 2023 and 2022 calendar years:

<u>Budget Category</u>	<u>2023</u>	<u>2022</u>
<u>Current Fund:</u>		
Engineering Services		
Other Expenses	\$	(50,000)
Insurance		
General Liability Insurance	(163,000)	(60,000)
Workers Compensation Insurance		(175,000)
Group Insurance Plan for Employees		35,000
Health Benefit Waivers		
Salaries and Wages		(37,230)
Police		
Salaries and Wages		(135,000)
Other Expenses		345,000
Police and Radio Communications		
Salaries and Wages		(49,700)
Dispatch Services	70,000	
Contribution to First Aid Squads		(40,000)
Rescue Squad		
Salaries and Wages		(50,000)
Road Repair and Maintenance		
Salaries and Wages	70,000	100,000
Natural Gas		30,000
Gasoline	(30,000)	92,500
Social Security System (O.A.S.I.)	(30,000)	(60,000)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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 2023 and 2022, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2023</u>	<u>2022</u>
Drive Sober or Get Pulled Over	\$ 3,920.00	
Clean Communities Program	64,502.65	57,508.57
Safe and Secure Communities	32,400.00	32,400.00
NJ DOT Trust Fund		300,000.00
NJDEP - Stormwater Assistance Grant	25,000.00	
Local Grant - Cascade Corporation - Senior Center	16,700.00	
Cape May County Code Blue Warming Centers	25,000.00	25,203.03
Cape May County Open Space - Ockie Wisting Creative	215,835.00	
Cape May County Open Space - Norbury Landing		230,256.00
Cape May County - CDBG - Senior Center HVAC	76,639.00	
Cape May County - CDBG - MLK Center HVAC	124,880.00	
Bulletproof Vest Partnership Grant	8,671.50	
Drive Sober or Get Pulled Over - 2023	7,000.00	
Local Grant - Nationwide Opioids Settlement Fund	6,766.88	
2023 Summer Shore Pedestrian Awareness	5,250.00	
NJ DCA - Local Rec. Impv. Grant - Playground Improvements	78,000.00	
CMC ARPA Grant - DelHaven Infrastructure Imprv.	400,000.00	
Local Grant - Middle Township School Security	3,000.00	
2023 Summer Expansion Program	7,067.20	
Click it or Ticket	7,000.00	
2023 U Drive U Text U Pay	5,250.00	
CDBG - Del Haven Water Connections	395,551.00	
CDBG - Clarence Davies Rec Complex Plygrd	400,000.00	
Municipal Alliance		16,109.83
National Opioid Settlement Fund		6,982.41
Total	<u>1,908,433.23</u>	<u>668,459.84</u>

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 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. As of December 31, 2023, the Township did not have any special emergency appropriations.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 3: INVESTMENTS

Interest Rate Risk. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The Township places no limit on the amount that they can invest in any one issuer.

Note 4: 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 township’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, 2023 and 2022, \$1,102,944.03 and \$1,153,950.35 of the Township’s bank balance of \$22,791,091.37 and \$18,499,153.68 respectively was exposed to custodial credit risk.

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2023 and 2022:

	Balance 12/31/2021	Additions	Retirements	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>

	Balance 12/31/2022	Additions	Retirements/ Adjustments	Balance 12/31/2023
Land	\$ 2,614,728.85		\$ (4,585.00)	\$ 2,610,143.85
Land Improvements	6,426,072.63		(48,210.44)	6,377,862.19
Building	7,544,163.44			7,544,163.44
Equipment and Machinery	9,558,669.23	873,499.37	(20,692.00)	10,411,476.60
	<u>\$ 26,143,634.15</u>	<u>\$ 873,499.37</u>	<u>\$ (73,487.44)</u>	<u>\$ 26,943,646.08</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/2021	Issued	Retired	Balance 12/31/2022
Bond Anticipation Notes payable:				
General	\$ 2,080,000.00	2,545,000.00	280,000.00	4,345,000.00
Sewer Utility	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00
	<u>\$ 4,580,000.00</u>	<u>5,045,000.00</u>	<u>2,780,000.00</u>	<u>6,845,000.00</u>
	Balance 12/31/2022	Issued	Retired	Balance 12/31/2023
Bond Anticipation Notes payable:				
General	\$ 4,345,000.00	6,145,000.00	4,345,000.00	6,145,000.00
Sewer Utility	2,500,000.00	4,600,000.00	2,500,000.00	4,600,000.00
	<u>\$ 6,845,000.00</u>	<u>10,745,000.00</u>	<u>6,845,000.00</u>	<u>10,745,000.00</u>

The Bond Anticipation Note was issued in the amount of \$10,745,000.00 on September 6, 2023 and due and payable on September 5, 2024 with interest at 4.50%. As of December 31, 2023, the township has authorized but not issued bonds in the amount of \$2,344,845.87 in the General Capital Fund and \$3,450,750.00 in the Sewer Capital Fund.

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2023, and 2022 consisted of the following:

	Balance 12/31/2021	Issued	Retired	Balance 12/31/2022	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	<u>21,245,000.00</u>	<u>-</u>	<u>1,430,000.00</u>	<u>19,815,000.00</u>	<u>1,450,000.00</u>
Other liabilities:					
Loans Payable	388,426.84		92,866.30	295,560.54	64,827.78
Utility Loans Compensated	4,348,909.50		90,100.56	4,258,808.94	92,131.65
Absences Payable	1,632,405.21		186,119.19	1,446,286.02	-
Total long-term liabilities	<u>\$ 27,614,741.55</u>	<u>\$ -</u>	<u>\$ 1,799,086.05</u>	<u>\$ 25,815,655.50</u>	<u>\$ 1,606,959.43</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Balance 12/31/2022	Issued	Retired	Balance 12/31/2023	Amounts Due Within One Year
Bonds payable:					
General	\$ 4,520,000.00	\$ -	\$ 735,000.00	\$ 3,785,000.00	\$ 740,000.00
Utility	15,295,000.00		715,000.00	14,580,000.00	725,000.00
Total	<u>19,815,000.00</u>	<u>-</u>	<u>1,450,000.00</u>	<u>18,365,000.00</u>	<u>1,465,000.00</u>
Other liabilities:					
Loans Payable	295,560.54		60,898.87	234,661.67	62,227.03
Utility Loans	4,258,808.94		92,047.52	4,166,761.42	94,209.38
Compensated Absences Payable	<u>1,446,286.02</u>	<u>421,421.83</u>	<u>324,952.53</u>	<u>1,542,755.32</u>	<u>149,473.93</u>
Total long-term liabilities	<u>\$ 25,815,655.50</u>	<u>\$ 421,421.83</u>	<u>\$ 1,927,898.92</u>	<u>\$ 24,309,178.41</u>	<u>\$ 1,770,910.34</u>

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

At December 31, 2023 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, 2023, is \$3,785,000.

\$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, 2023, is \$20,829.41.

\$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 balance remaining as of December 31, 2023, is \$20,290.17.

\$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%. There is no balance remaining as of December 31, 2023.

\$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, 2023, is \$193,542.09.

At December 31, 2023, 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, 2023, was \$6,885,000.

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, 2023, was \$1,685,000.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 was \$6,010,000.

\$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, 2023, is \$1,428,388.08.

\$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, 2023, is \$85,362.63.

\$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, 2023 is \$661,240.16.

\$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, 2023, is \$683,225.53.

\$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, 2023, is \$1,308,545.02.

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
2024	\$ 802,227.04	80,993.34	819,209.62	597,106.19
2025	771,531.71	65,210.32	856,334.84	565,980.72
2026	776,964.50	49,777.53	888,509.19	533,406.38
2027	787,405.97	34,236.05	910,733.54	503,932.02
2028	797,856.34	18,485.69	958,009.06	473,606.50
2029-2033	83,676.11	3,380.35	4,476,055.80	1,895,690.68
2034-2038			3,116,350.11	1,230,471.29
2039-2043			2,724,549.83	758,602.73
2044-2048			2,181,636.83	407,453.17
2049-2053			1,472,236.76	114,403.04
2054-2058			343,135.84	17,359.51
	<u>\$ 4,019,661.67</u>	<u>252,083.28</u>	<u>18,746,761.42</u>	<u>7,098,012.23</u>

As of December 31, 2023, 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 \$274,787.55 and to the utility budget was \$749,639.34.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

<u>Summary of Municipal Debt</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 10,164,661.67	\$ 9,160,560.54	\$ 7,718,426.84
Sewer Utility - Bonds and Notes	23,346,761.42	22,053,808.94	22,843,909.50
Trust Assessment- Bonds and Notes	560,000.00	630,000.00	705,000.00
Total Issued	<u>34,071,423.09</u>	<u>31,844,369.48</u>	<u>31,267,336.34</u>
<u>Less:</u>			
Funds Temporarily Held to Pay Bonds and Notes:			
General			
Self-Liquidating Debt	26,797,511.42	26,679,558.94	27,469,659.50
Total Deductions	<u>26,797,511.42</u>	<u>26,679,558.94</u>	<u>27,469,659.50</u>
Net Debt Issued	<u>7,273,911.67</u>	<u>5,164,810.54</u>	<u>3,797,676.84</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	2,344,845.87	2,838,181.87	2,837,446.87
Sewer Utility - Bonds and Notes	3,450,750.00	4,625,750.00	4,625,750.00
Total Authorized But Not Issued	<u>5,795,595.87</u>	<u>7,463,931.87</u>	<u>7,463,196.87</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 13,069,507.54</u>	<u>\$ 12,628,742.41</u>	<u>\$ 11,260,873.71</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.382%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 18,925,000.00	\$ 18,925,000.00	\$ -
Sewer Utility Debt	26,797,511.42	26,797,511.42	-
General Debt	13,069,507.54	-	13,069,507.54
	<u>\$ 58,792,018.96</u>	<u>\$ 45,722,511.42</u>	<u>\$ 13,069,507.54</u>

Net Debt \$13,069,507.54 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,424,024,716.67 = 0.382%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 119,840,865.08
Net Debt	13,069,507.54
Remaining Borrowing Power	<u>\$ 106,771,357.54</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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023 and 2022, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2024 and 2023 were as follows:

		<u>2024</u>		<u>2023</u>
Current Fund	\$	2,200,000.00		1,800,000.00
Sewer Utility		200,000.00		225,000.00

Note 9: 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 \$31,313,802.00 and \$30,733,599.00 have been raised for the 2023 and 2022 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 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, 2022, and decreased by the amount deferred at December 31, 2023. GAAP would require the recording of deferred revenue. The following schedule illustrates school taxes payable and school taxes deferred at December 31st for the last two years.

		<u>12/31/2023</u>		<u>12/31/2022</u>
Balance of Tax	\$	14,435,244.02	\$	14,159,634.59
Deferred		11,400,000.00		11,400,000.00
Local School Tax Payable	\$	<u>3,035,244.02</u>	\$	<u>2,759,634.59</u>

Note 10: 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:

		<u>Balance 12/31/23</u>		<u>Balance 12/31/22</u>
Prepaid Taxes	\$	<u>1,384,645.36</u>	\$	<u>1,330,091.57</u>
Cash Liability for Taxes Collected in Advance	\$	<u>1,384,645.36</u>	\$	<u>1,330,091.57</u>

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 11: 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.

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.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries, with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43: 15c-1 et seq. Currently there are twenty-eight individuals enrolled in DCRP.

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 17.61% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2023, 2022, and 2021 were \$580,704.00, \$481,236.00 and \$494,084.00.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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, 2023, 2022, and 2021 were \$1,684,207.00, \$1,507,972.00, \$1,468,112.00.

The total payroll for the year ended December 31, 2023, 2022 and 2021 was \$9,850,778.45, \$9,819,852.14, and \$9,808,586.05. Payroll covered by PFRS was \$4,525,669.00, \$4,515,601.00, and \$4,400,997.00. Payroll covered by PERS was \$3,428,040.00, \$3,304,372.00, and \$3,202,866.00.

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.
- 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.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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 12: 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 township's pension liabilities. However, due to the fact that the township 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, 2022:

Public Employees' Retirement System

The Township has a liability of \$6,949,476 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. 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, 2022, the Township's proportion would be 0.04604931690%, which would be an increase of 3.46% from its proportion measured as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

For the year ended December 31, 2022, the Township would have recognized pension expense of (\$393,239). At December 31, 2022, the Township 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	\$ 50,158	\$ (44,232)
Changes of assumptions	21,532	(1,040,612)
Changes in proportion	482,374	(143,953)
Net difference between projected and actual earnings on pension plan investments	287,633	
Total	\$ 841,697	\$ (1,228,797)

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,		
2023	\$	(353,830)
2024		(130,314)
2025		(9,156)
2026		107,033
2027		(832)
Total	\$	(387,100)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate		
Price	2.75%	
Wage	3.25%	
Salary increases:	2.75% – 6.55% (based on years of service)	
Investment rate of return:	7.00%	

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 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 Township's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality'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	\$ 8,333,847	\$ 6,949,476	\$ 5,772,630

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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 \$14,822,947 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2021, that was rolled forward to June 30, 2022. 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, 2022, the Township's proportion would be 0.12949926000%, which would be an increase of 0.09% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Township would have recognized pension expense of \$1,533. At December 31, 2022, 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	\$ 670,926	\$ (908,107)
Changes of assumptions	40,624	(1,865,916)
Changes in proportion	471,186	(404,432)
Net difference between projected and actual earnings on pension plan investments	1,357,346	
Total	\$ 2,540,082	\$ (3,178,455)

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,		
2023	\$	(671,198)
2024		(428,937)
2025		(408,610)
2026		853,523
2027		8,226
Thereafter		8,623
Total	\$	(638,373)

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation of July 1, 2020, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25% - 16.25% (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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 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 projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the 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	20,946,731	14,822,947	9,725,465

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, 2022, State special funding situation net pension liability amount of \$2,037,115,833.00 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, 2022, State special funding situation pension expense of \$235,029,281.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. 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 2022, the State contributed an amount more 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 Township was 0.12949926000% for 2022. The net pension liability amount allocated to the Township was \$2,638,050. For the fiscal year ending June 30, 2022 State special funding situation pension expense of \$304,361 is allocated to the Township.

Pension plan fiduciary net position.

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

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 13: 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 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 and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$3,872,142,278, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. 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, 2022 is as follows:

	June 30, 2022	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 16,090,925,144	\$ 35,739,232
Plan Fiduciary Net Position (Deficit)	(58,670,334)	(130,312)
Net OPEB Liability	\$ 16,149,595,478	\$ 35,869,544
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	-0.36%

At June 30, 2022 the Township's proportionate share of the Collective Net OPEB Liability was \$35,869,544. The Township's proportion of the Collective Net OPEB Liability was 0.222108% which was a decrease from the prior year of 1.63%.

For the Year ended June 30, 2022, the Township's Total OPEB Expense was \$6,630,680. The total OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

Investment Rate of Return
Including Inflation rate 3.54%

Salary increases*:

PERS	Completed Years of Service	Annual Rate of Increase (%)
	0	6.55
	5	5.75
	10	4.75
	15	3.75
	20	3.15
	25	2.85
	>=29	2.75

PFRS	Completed Years of Service	Annual Rate of Increase (%)
	0	16.25
	5	11.00
	10	6.00
	15	4.00
	>=17	3.25

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Mortality:

Pre-Retirement Healthy 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

Post-Retirement Healthy Mortality

Chapter 330 Retirees: PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Retirees: PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disable Retiree Mortality:

PERS Future Disabled Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS Future Disabled Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Chapter 330 Current Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Current Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021 and July 1, 2018 to June 30, 2021, respectively.

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. The discount rate will change each year based on the Bond Buyer Go 20-Bond Municipal Bond Index each year.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

The following presents the Net OPEB liability as of June 30, 2023, 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 (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Collective			
Net OPEB Liability	\$ 18,720,632,230	16,149,595,478	14,080,955,857
Proportionate Share			
Net OPEB Liability	\$ 41,580,022	35,869,544	31,274,930

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

The following presents the net OPEB liability as of June 30, 2022, 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	\$ 13,700,188,049	16,149,595,478	19,286,596,671
Proportionate Share			
Net OPEB Liability	\$ 30,429,214	35,869,544	42,837,075

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

At June 30, 2022, 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	\$ 833,982,363	(2,993,448,535)	1,852,342	(6,648,689)
Changes of assumptions	2,155,230,462	(5,511,545,572)	4,786,939	(12,241,584)
Net difference between projected and actual earnings on OPEB plan investments	4,251,491		9,443	
Changes in proportion and differences between contributions and proportionate share of contributions			26,527,607	(977,520)
Total	\$ 2,993,464,316	(8,504,994,107)	33,176,331	(19,867,793)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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
2023	\$ (1,463,380,541)	3,533,584
2024	(1,464,672,406)	3,536,704
2025	(1,156,630,075)	2,792,883
2026	(516,557,746)	1,247,318
2027	(115,810,526)	279,644
Thereafter	(794,478,497)	1,918,405
Total	<u>\$ (5,511,529,791)</u>	<u>13,308,538</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, 2022, are as follows:

Service cost	\$ 796,654,029
Interest on Total OPEB Liability	401,372,615
Expected Investment Return	86,955
Administrative Expenses	12,334,441
Changes of Benefit Terms	402,474,416
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:	
Differences between Expected and Actual Experience	(630,413,303)
Changes in Assumptions	(835,585,441)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	4,032,008
Total Collective OPEB Expense	<u>\$ 150,955,720</u>

Schedule of Township's Share of Net OPEB Liability

	2022	2021	2020	2019
Township's Proportionate Share of Net OPEB Liability	0.222108%	0.225789%	0.227448%	0.209244%
Township's Share of Net OPEB Liability	\$ 35,869,544	40,641,526	40,819,212	28,344,341
Township's Covered Payroll	7,819,973	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	458.69%	534.49%	526.95%	368.23%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.97%	1.97%

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 14: 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 \$1,562,755.32 in 2023 and \$1,446,286.02 in 2022. 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 \$290,473.03 at December 31, 2023, and \$361,755.68 at December 31, 2022. 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 15: ECONOMIC DEPENDENCY

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

Note 16: 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, 2023, and 2022, 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

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

Note 17: 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 18: 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 19: INTERFUND BALANCES

During the most current calendar year ended December 31, 2023, 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	2,671.05	
Assessment Trust Fund	3,492.90	
Trust Fund	10,000.00	73,589.00
Trust Fund:		
Current Fund (Animal Control Fund)		2,671.05
Current Fund (Assessment Trust Fund)		3,492.90
Current Fund	73,589.00	10,000.00
Sewer Operating:		
Current Fund	177,570.20	
	\$ 267,323.15	\$ 267,323.15

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, 2023 AND 2022**

Note 20: LEASE OBLIGATIONS

At December 31, 2023, 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>
2024	\$	19,264.40	19,264.40
2025		3,049.63	3,049.63
Total	\$	22,314.03	22,314.03

Rental payments under the operating leases for the year 2023 were	\$ 30,355.23
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Note 21: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through June 28, 2024, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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SUPPLEMENTARY DATA



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 28, 2024, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

June 28, 2024

TOWNSHIP OF MIDDLE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2023

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified Opinion issued on the Financial Statements – Regulatory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting”.**

Internal control over financial reporting:

- 1) Material Weakness identified? **NO**
- 2) Significant Deficiency identified? **NO**

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

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 no findings relating to the financial statements – regulatory basis that are required to be reported. However, we have issued an accompanying Management Letter.

MANAGEMENT RESPONSES

Not Applicable

STATUS OF PRIOR YEAR FINDINGS

Finding 2022-1:

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.

Current Status:

This recommendation was corrected in 2023.

Finding 2022-2:

Recommendation:

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

Current Status:

This recommendation was corrected in 2023.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2022	\$ 8,737,613.82	-
Increased by Receipts:		
Tax Collector	59,830,446.97	
Revenue Accounts Receivable	7,315,012.09	
Reserve for Municipal Relief Aid	367,129.16	
Due from State - Senior and Veterans	139,701.37	
Reserve for Sale of Municipal Assets	642,312.04	
Due to Water Districts	4,644.71	
Election Reimbursements	54,300.00	
Due from Trust Other Fund	38,077.00	
Due from Trust Other Fund	1,425.00	
Due from Trust Other Fund	1,692.46	
Due from Animal Control Fund	44,384.06	
Due from Trust Assessment Fund	1,338.77	
Due from Federal and State Grant Fund	1,568,623.85	
Due from Utility Operating	3,360.00	
Federal and State Grant Receivables		3,130,255.56
Federal and State Grants Unappropriated		33,022.13
	<u>70,012,447.48</u>	<u>3,163,277.69</u>
	78,750,061.30	3,163,277.69
Decreased by Disbursements:		
Current Year Appropriation	22,883,161.82	
Prior Year Appropriations	599,556.18	
County Taxes	8,773,051.41	
Due County - Added Taxes	44,465.41	
Local District School Taxes	31,038,192.57	
Special District Levy	3,022,711.00	
Election Expenses	55,650.00	
Tax Refunds	33,983.97	
Refund of Prior Year Revenue	60.00	
Due to Utility Operating	3,360.00	
Due to Trust Other	38,077.00	
Due to Current Fund		1,568,623.85
Due to Water District's	15,540.27	
Federal and State Disbursements		1,379,055.90
	<u>66,507,809.63</u>	<u>2,947,679.75</u>
Balance December 31, 2023	\$ <u><u>12,242,251.67</u></u>	<u><u>215,597.94</u></u>

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

Balance December 31, 2022		\$	-
Increased by Receipts:			
Prepaid Taxes	\$	1,384,645.36	
Taxes Receivable		58,150,056.55	
Revenue Accounts Receivable		222,394.55	
Tax Title and Other Liens		73,350.51	
		<hr/>	<hr/>
			59,830,446.97
			59,830,446.97
Payments to Treasurer			<hr/>
			59,830,446.97
Balance December 31, 2023		\$	<hr/> <hr/>

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

Year	Balance Dec. 31, 2022	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2023
				2022	2023			
Arrears \$								
2020	3,033.58				3,033.58			-
2021	6,581.76				2,876.24	3,446.64		258.88
2022	31,986.40		23,230.78		26,663.82	28,553.36		0.00
	41,601.74	-	23,230.78	-	32,573.64	32,000.00	-	258.88
2023	-	59,288,539.09	388,485.91	1,330,091.57	58,221,982.91	6,118.56	107,599.13	11,232.83
	41,601.74	59,288,539.09	411,716.69	1,330,091.57	58,254,556.55	38,118.56	107,599.13	11,491.71

58,150,056.55 Cash Receipts
 (34,000.00) Overpayments Applied
 138,500.00 Senior Citizens and Veterans
58,254,556.55

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	59,288,539.09
Added Taxes (54:4-63.1 et. Seq.)	388,485.91
	<u>59,677,025.00</u>
Tax Levy:	
County Taxes	8,773,051.41
County Added and Omitted Taxes	63,249.50
Total County Taxes	8,836,300.91
Local School District Tax	31,313,802.00
Fire Districts	3,022,711.00
Local Tax for Municipal Purposes	16,115,426.82
Add: Additional Tax Levied	388,784.27
	<u>16,504,211.09</u>
	<u>59,677,025.00</u>

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

Balance December 31, 2022		\$	703,377.14
Increased by:			
Transfers from Taxes Receivable	\$	107,599.13	
		<hr/>	<hr/>
			107,599.13
			810,976.27
Decreased by:			
Collections	\$	73,350.51	
		<hr/>	<hr/>
			73,350.51
Balance December 31, 2023		\$	<u><u>737,625.76</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance	Accrued	Collected by		Balance
	Dec. 31, 2022	in 2023	Collector	Treasurer	Dec. 31, 2023
Licenses:					
Alcoholic Beverages	\$ -	6,512.00		6,512.00	-
Other	-	87,594.00		87,594.00	-
Fees and Permits	-	190,923.21		190,923.21	-
Fines and Costs:					
Municipal Court	7,061.30	142,127.62		141,632.54	7,556.38
Interest and Costs on Taxes	-	222,394.55	222,394.55		-
Interest on Investments	-	437,688.70		437,688.70	-
Registrar of Vital Statistics - Fees	-	47,298.36		47,298.36	-
Trailer Tax	-	145,260.00		145,260.00	-
Hotel/Motel Tax	-	113,387.51		113,387.51	-
Payment in Lieu of Taxes	-	108,458.36		108,458.36	-
Energy Receipts Tax	-	3,544,072.72		3,544,072.72	-
Open Space Pilot Aid	-	58,470.00		58,470.00	-
Municipal Relief Fund Aid	-	183,603.00		183,603.00	-
Uniform Construction Code Fees	-	391,904.29		391,904.29	-
Police Officers (SRO) - Cape May County Technical School & Middle Township Board of Education	-	211,353.98		211,353.98	-
Middle Township Fire District #1 - JIF Insurance	-	34,910.00		34,910.00	-
Middle Township Fire District #2 - JIF Insurance	-	21,254.00		21,254.00	-
Middle Township Fire District #3 - JIF Insurance	-	19,828.00		19,828.00	-
Borough of Woodbine - Municipal Court - Interlocal	-	117,475.37		117,475.37	-
Sewer Utility - Indirect Costs	-	340,000.00		340,000.00	-
Reserve for Municipal Assets	-	230,000.00		230,000.00	-
Cable TV and Franchise Fee	-	324,783.24		324,783.24	-
Cape Regional Medical Center Community Service Pmt	-	322,726.01		322,726.01	-
Reserve to Pay Debt Service	-	25,000.00		25,000.00	-
Grant Receivable - County Open Space	-	650,000.00		650,000.00	-
Miscellaneous Revenue Not Anticipated	-	626,021.04		626,021.04	-
	<u>\$ 7,061.30</u>	<u>8,603,045.96</u>	<u>222,394.55</u>	<u>8,380,156.33</u>	<u>7,556.38</u>

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					
Salaries and Wages	1,080.08	1,080.08		1,080.08	-
Other Expenses	2,548.63	9,048.63	7,246.76	1,801.87	-
Human Resources - Personnel					
Salaries and Wages	878.81	878.81		878.81	-
Other Expenses	5,889.89	5,889.89	(1,017.62)	6,907.51	-
Mayor and Committee					
Salaries and Wages	29.94	29.94		29.94	-
Township Clerk					
Salaries and Wages	14,651.54	14,651.54		14,651.54	-
Other Expenses:					
Codification of Ordinances	5,298.00	5,298.00		5,298.00	-
Miscellaneous Other Expenses	9,048.33	9,048.33	1,788.43	7,259.90	-
Financial Administration					
Salaries and Wages	1,486.30	1,486.30		1,486.30	-
Other Expenses	4,351.87	7,851.87	6,147.77	1,704.10	-
Information Technology					
Salaries and Wages	793.50	793.50		793.50	-
Other Expenses	10,209.50	10,209.50		10,209.50	-
Collection of Taxes					
Salaries and Wages	13,399.07	13,399.07		13,399.07	-
Other Expenses	1,025.89	1,025.89	758.30	267.59	-
Assessment of Taxes					
Salaries and Wages	161.95	161.95		161.95	-
Other Expenses	14,937.26	14,937.26	13,653.37	1,283.89	-
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	104.20	1,104.20	712.92	391.28	-
Legal Services					
Other Expenses	36,784.87	36,784.87	9,513.45	27,271.42	-
Engineering Services					
Other Expenses	73,133.64	73,133.64	69,674.94	3,458.70	-
Grants Administration					
Salaries and Wages	2,962.82	2,962.82		2,962.82	-
Other Expenses	19,564.36	19,564.36	9,450.00	10,114.36	-

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Public Affairs					
Other Expenses	2,000.00	2,000.00		2,000.00	-
LAND USE ADMINISTRATION					
Planning Board					
Smart Growth Expense	5,000.00	5,000.00	107.19	4,892.81	-
Zoning Board of Adjustment					
Salaries and Wages	6,917.48	6,917.48		6,917.48	-
Other Expenses	17,227.45	17,227.45	1,176.88	16,050.57	-
Municipal Court					
Salaries and Wages	19,969.43	19,969.43		19,969.43	-
Other Expenses	7,955.87	7,955.87	1,139.70	6,816.17	-
INSURANCE					
General Liability Insurance	14,443.66	14,443.66		14,443.66	-
Workers Compensation Insurance	24,547.00	9,547.00		9,547.00	-
Group Insurance Plan for Employees	46,708.74	44,208.74	9,353.45	34,855.29	-
Health Benefit Waivers					
Salaries and Wages	13,185.48	13,185.48		13,185.48	-
PUBLIC SAFETY					
Police					
Salaries and Wages	36,772.08	36,772.08		36,772.08	-
Other Expenses	90,599.60	90,599.60	79,305.57	11,294.03	-
Police and Radio Communications					
Salaries and Wages	1,750.45	1,750.45		1,750.45	-
Other Expenses	365.25	365.25		365.25	-
Rescue Squad					
Salaries and Wages	5,249.46	(54,500.54)		-	54,500.54
Other Expenses	27,156.62	7,156.62	738.00	6,418.62	-
Emergency Management Services					
Other Expenses	505.24	505.24		505.24	-
PUBLIC WORKS					
Road Repair and Maintenance					
Salaries and Wages	2,415.99	2,415.99	(1,454.21)	3,870.20	-
Other Expenses	52,845.15	22,845.15	17,273.38	5,571.77	-
Vehicle Maintenance Motor Pool	25,269.76	25,269.76	10,449.82	14,819.94	-
Storm Recovery					
Other Expenses	305.00	305.00		305.00	-
Shade Tree Commission					
Other Expenses	672.10	672.10		672.10	-

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Other Public Works Functions (Gypsy Moth)					
Other Expenses	2,271.66	2,271.66		2,271.66	-
Garbage and Trash Removal - Contractual	34,414.82	43,914.82	43,266.63	648.19	-
Recycling Contractual	34,414.82	43,914.82	43,471.63	443.19	-
Public Buildings and Grounds					
Other Expenses	68,056.80	68,056.80	33,768.10	34,288.70	-
HEALTH AND WELFARE					
Board of Health					
Other Expenses	850.00	850.00		850.00	-
Animal Control					
Salaries and Wages	346.73	346.73		346.73	-
Other Expenses	2,079.92	2,079.92	240.00	1,839.92	-
Animal Control - Animal Shelter					
Contractual	0.94	0.94	0.02	0.92	-
CODE ENFORCEMENT ADMINISTRATION					
Code Enforcement Officer					
Salaries and Wages	1,857.12	1,857.12		1,857.12	-
Other Expenses	1,766.70	1,766.70	200.00	1,566.70	-
Demolition of Substandard Buildings					
Other Expenses	2,000.00	2,000.00		2,000.00	-
RECREATION AND EDUCATION					
Recreation					
Salaries and Wages	1,832.66	1,832.66		1,832.66	-
Other Expenses	17,817.17	17,817.17	10,055.87	7,761.30	-
Senior Center					
Salaries and Wages	3,730.97	3,730.97		3,730.97	-
Other Expenses	2,330.56	2,330.56	530.81	1,799.75	-
Beach Restoration					
Other Expenses	100.00	100.00		100.00	-
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code					
Construction Official					
Salaries and Wages	642.53	642.53		642.53	-
Other Expenses	289.87	289.87	193.26	96.61	-
Fire Protection					
Other Expenses	5,000.00	5,000.00		5,000.00	-

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
UTILITY EXPENSES AND BULK PURCHASES					
Water	839.72	1,089.72	964.67	125.05	-
Electricity	1,389.94	39,389.94	39,082.38	307.56	-
Telephone	22,976.72	22,976.72	6,515.68	16,461.04	-
Internet	209.13	2,709.13	1,631.77	1,077.36	-
Natural Gas	8,844.82	26,344.82	26,243.10	101.72	-
Gasoline	3,661.56	43,661.56	40,213.54	3,448.02	-
Street Lighting	6,593.28	6,593.28	6,200.67	392.61	-
SANITARY LANDFILL DISPOSAL COSTS					
Sanitary Landfill - Contractual	35,441.37	52,441.37	51,880.20	561.17	-
Contribution to:					
Public Employees' Retirement System	51.54	51.54		51.54	-
Social Security	31,097.15	13,097.15		13,097.15	-
Defined Contribution Retirement Plan	9,389.73	9,389.73		9,389.73	-
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
SFSP Appropriation	6,437.00	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	-	-
CAPITAL IMPROVEMENTS					
Improvements to Municipal Buildings and Grounds	16,194.00	16,194.00		16,194.00	-
Capital Lease Obligations: Principal	1.00	1.00		1.00	-
	<u>\$ 1,010,232.49</u>	<u>1,010,232.49</u>	<u>608,813.43</u>	<u>455,919.60</u>	<u>54,500.54</u>
		Cash Disbursed	599,556.18		
		Accounts Payable	9,257.25		
			<u>608,813.43</u>		

See Accompanying Auditor's Report

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

Balance December 31, 2022		
School Tax Payable	\$ 2,759,634.59	
School Tax Deferred	<u>11,400,000.00</u>	
		\$ 14,159,634.59
Increased by:		
Levy - School Year July 1 to June 30		<u>31,313,802.00</u>
		45,473,436.59
Decreased by:		
Payments		<u>31,038,192.57</u>
Balance December 31, 2023		
School Tax Payable	3,035,244.02	
School Tax Deferred	<u>11,400,000.00</u>	
		<u><u>14,435,244.02</u></u>
Current Year Liability for Local School District School Tax:		
Tax Paid		31,038,192.57
Tax Payable Ending		<u>3,035,244.02</u>
		34,073,436.59
Less: Tax Payable Beginning		<u>2,759,634.59</u>
Amount charged to Current Year Operations		<u><u>\$ 31,313,802.00</u></u>

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

<u>Purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred From 2023 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</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		3,381.48	1,688.52
2022	-	5,070.00		5,070.00
2023	-	3,561.88		3,561.88
National Opioid Settlement	6,982.41	6,766.88	6,766.88	-
National Opioid Settlement 2023	-			
Body Armor Grant	1,353.76			1,353.76
Body Armor Grant-2022	-	2,460.91		2,460.91
Drive Sober or Get Pulled Over - 2021-2023	7,500.00		3,500.00	4,000.00
CDBG - Improve ADA Accessibility at Norbury Landing	400,000.00		317,789.50	82,210.50
CDBG - Rehabilitate Housing	163,000.00			163,000.00
CDBG - Remove Architectural Barriers	144,000.00		89,940.84	54,059.16
CDBG - MLK Center HVAC	-	124,880.00		124,880.00
CDBG - Senior Center HVAC	-	76,639.00		76,639.00
Small Cities Davies Playground	-	400,000.00		400,000.00
Small Cities Davies Water Connections	-	395,551.00		395,551.00
FEMA				
2013 Bennys Landing Road	132,281.75			132,281.75
Total Federal	<u>863,934.35</u>	<u>1,014,929.67</u>	<u>421,378.70</u>	<u>1,457,485.32</u>

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

<u>Purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred From 2023 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</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	144,419.09			144,419.09
South 4th Street	54,647.00			54,647.00
Walsh Ave & S. 3rd Street	170,000.00		127,500.00	42,500.00
Local Aid Infrastructure Program	15,000.00			15,000.00
Hand Avenue Extension	150,000.00		66,863.18	83,136.82
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	113,693.22	113,693.22	-
Recycling Tonnage 2023	-			-
Safe & Secure Communities Grant	16,200.00			16,200.00
Safe & Secure Communities Grant 2023	-	32,400.00	32,400.00	-
Juvenile Justice and Delinquency Prevention	9,251.10			9,251.10
NJDL&PS Summer Programs	-	7,067.20	7,067.20	-
Body-Worn Camera Grant	104,346.00		104,346.00	-
Clean Communities Grant	-	64,502.65	64,502.65	-
Distracted Driving	-	5,250.00	5,250.00	-
U Drive U text U Pay	-	5,250.00	5,250.00	-
Click It or Ticket	-	7,000.00	6,930.00	-
Bullet Proof Vest Partnership	-	8,671.50		70.00
Drive Sober or Get Pulled Over	-	7,000.00		8,671.50
Drive Sober or Get Pulled Over	-	3,920.00		7,000.00
Cops in Shops	1,200.00			3,920.00
NJDEP Stormwater Grant	-	25,000.00		1,200.00
NJ DCA Local Recreation Improvements	-	78,000.00	15,000.00	10,000.00
Total State	1,400,983.08	357,754.57	548,802.25	1,209,935.40

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

<u>Purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred From 2023 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
OTHER GRANTS:				
Bike Path Middle/Lower	122,034.50			122,034.50
Bike Path Northern Extension	1,626,761.00		1,535,758.50	91,002.50
Municipal Alliance	16,109.83			16,109.83
Cascade Corp. - Senior Center	-	14,500.00	14,500.00	-
School Security	-	3,000.00	3,000.00	-
School Security	-	2,250.00		2,250.00
Cascade Corp. - Senior Center	-	16,700.00	16,700.00	-
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	31,543.75			31,543.75
Cape May County Open Space - Norbury Landing	230,256.00			230,256.00
Cape May County Open Space - Ockie Wisting 2023	-	215,835.00		215,835.00
Cape May County - ARP Del Haven Improvements	-	400,000.00		400,000.00
Cape May County - Code Blue Warming Centers 2023	-	25,000.00	25,202.68	(202.68)
Total Other	<u>2,666,619.08</u>	<u>677,285.00</u>	<u>2,210,475.18</u>	<u>1,133,428.90</u>
	<u>\$ 4,931,536.51</u>	<u>2,049,969.24</u>	<u>3,180,656.13</u>	<u>3,800,849.62</u>
			Cash Receipts	
			3,130,255.56	Cash Receipts
			50,400.57	Unappropriated Res.
			<u>3,180,656.13</u>	

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

	Balance Dec. 31, 2022	Prior Year Encumbrances	2023 Appropriations	Disbursed	Current Year Encumbrances	Balance Dec. 31, 2023
FEDERAL GRANTS:						
CDBG - Improve ADA Accessibility at Norbury Landing	\$ 3,100.00	371,525.79		374,625.79		-
CDBG - Rehabilitate Housing	163,000.00					163,000.00
CDBG - Remove Architectural Barriers	144,000.00			91,658.00	38,485.00	52,342.00
CDBG - MLK Center HVAC	-		124,880.00			86,395.00
CDBG - Senior Center HVAC	-		76,639.00			76,639.00
Small Cities Davies Playground	-		400,000.00			400,000.00
Small Cities Davies Water Connections	-		395,551.00	8,230.00		387,321.00
Emergency Management Assistance 2012	403.00					403.00
Emergency Management Assistance 2013	69.77					69.77
Emergency Management Assistance 2014	1,112.33			56.02		1,112.33
Bullet Proof Vest Partnership 2018	56.02			2,021.89		(0.00)
Bullet Proof Vest Partnership 2020	2,021.89			390.00		(0.00)
Bullet Proof Vest Partnership 2021	390.00		5,070.00	4,680.00		390.00
Bullet Proof Vest Partnership 2022	-		8,671.50	2,508.17		6,163.33
Bullet Proof Vest Partnership 2023	-		2,460.91	2,460.91		-
Body Armor Grant	-					-
Drive Sober or Get Pulled Over - 2021	7,500.00					7,500.00
Body Armor Grant	0.30			0.30		0.00
FEMA - Bennys Landing Road 2013	119,003.31					119,003.31
Total Federal	440,656.62	371,525.79	1,013,272.41	486,631.08	38,485.00	1,300,338.74
STATE GRANTS:						
Drunk Driving Enforcement Fund 2015	4,885.72			650.00	4,235.72	-
Drunk Driving Enforcement Fund 2016	6,462.91			418.50	6,044.41	-
Drunk Driving Enforcement Fund 2017	8,107.42				8,107.42	-
Drunk Driving Enforcement Fund 2018	9,183.98			4,550.00	917.45	3,716.53
Drunk Driving Enforcement Fund 2019	12,146.89			224.65		11,922.24
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	586.91	63.36		539.40		110.87
Clean Communities 2019	-	35.41		35.41		-
Clean Communities 2020	0.00	12,905.79		12,905.79		0.00
Clean Communities 2021	29,831.11	13,733.45		43,429.99		134.57
Clean Communities 2022	43,131.43	14,377.14		25,961.60	2,573.94	28,973.03
Clean Communities 2023	-		64,502.65			64,502.65
Sustainable Jersey Small Grants Program	5,000.00					5,000.00
Recycling Tonnage 2011	941.06					941.06
Recycling Tonnage 2014	10,651.82	1,770.00		12,421.82		(0.00)
Recycling Tonnage 2016	37,691.18			11,855.08		25,836.10
Recycling Tonnage 2017	40,192.90			34,687.76		5,505.14

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2022	Prior Year Encumbrances	2023 Appropriations	Disbursed	Current Year Encumbrances	Balance Dec. 31, 2023
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
Recycling Tonnage 2022 & 2023	-		113,693.22			113,693.22
New Jersey Transportation Trust Fund						
2013 - Bike Path - Phase 4	5,321.89					5,321.89
2014 - Bike Path - Phase 5	26,993.81					26,993.81
Linden Avenue Project	71,269.83			5,222.82	(5,351.94)	71,398.95
South 4th Street	31,402.42			1,924.42		29,478.00
Local Aid Infrastructure Program	15,000.00					15,000.00
Walsh Ave & S. 3rd Street	170,000.00			166,466.23	3,533.77	(0.00)
Hand Avenue Extension	150,000.00			106,719.90		43,280.10
Magnolia Avenue	300,000.00					300,000.00
Local Freight Impact Fund - Magnolia Drive	300,000.00					300,000.00
Safe Streets to Transit	5,644.66			1,659.66		3,985.00
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 2018	1,341.48					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
National Opioid Settlement - 2023	-		6,766.88			6,766.88
Juvenile Justice and Delinquency Prevention	9,251.10					9,251.10
NJDL&PS Summer Programs	-		7,067.20	7,067.20		-
NJDL&PSU Distracted Driving	-		5,250.00	5,250.00		-
Click It or Ticket	-		7,000.00	6,930.00		70.00
NJDL&PSU Drive U Text U Pay	-		5,250.00	5,250.00		-
NJ DCA Local Recreation Improvements	-		78,000.00			78,000.00
Drive Sober or Get Pulled Over	-		7,000.00	3,500.00		3,500.00
Drive Sober or Get Pulled Over	-		3,920.00			3,920.00
NJDEP Stormwater Grant	-		25,000.00			25,000.00
Body Armor 2023	-		3,561.88	3,561.88		-
Body-Worn Camera Grant	-	29,306.00		29,306.00		-
Total State	1,503,542.05	72,191.15	359,411.83	522,938.11	20,060.77	1,392,146.15

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2022	Prior Year Encumbrances	2023 Appropriations	Disbursed	Current Year Encumbrances	Balance Dec. 31, 2023
LOCAL GRANTS:						
Cape May County Open Space - Avalon Manor Fishing Pier	8,743.05			2,702.11	2,000.00	4,040.94
Cape May County Open Space - Ockie Wisting Creative	225,175.00			158,662.00	56,513.00	10,000.00
Cape May County Open Space - Ockie Wisting 2023			215,835.00		215,835.00	-
Cape May County Open Space - Norbury Landing	106,356.00	123,900.00		158,427.18	44,406.50	27,422.32
Cape May County MUA - Recycling Rebate	42,986.45					42,986.45
Cape May County - Code Blue Warming Centers	-		16,700.00			-
Cascade Corp. - Senior Center	-					16,700.00
Bike Path Middle/Lower	122,034.50					122,034.50
Bike Path Northern Extension	142,205.74			40,835.72		101,370.02
Municipal Alliance	16,109.83					16,109.83
Local Grant - School Security	-		2,250.00	2,233.20		16.80
Local Grant - Senior Center	-		14,500.00	876.50		13,623.50
Cape May County - Code Blue Warming Centers 2023	-		25,000.00	2,750.00		22,250.00
Cape May County - ARP Del Haven Improvements	-		400,000.00			400,000.00
Local Grant - School Security - TZORFAS	-		3,000.00	3,000.00		-
	<u>663,610.57</u>	<u>123,900.00</u>	<u>677,285.00</u>	<u>369,486.71</u>	<u>318,754.50</u>	<u>776,554.36</u>
\$	<u>2,607,809.24</u>	<u>567,616.94</u>	<u>2,049,969.24</u>	<u>1,379,055.90</u>	<u>377,300.27</u>	<u>3,469,039.25</u>

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

<u>Purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred To 2023 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
FEDERAL GRANTS:				
National Opioid Settlement 2023	\$ -		16,668.30	16,668.30
Total Federal	-	-	<u>16,668.30</u>	<u>16,668.30</u>
STATE GRANTS:				
NJ Department of Transportation Grant	130,328.62			130,328.62
Alcohol Education & Rehabilitation 2023	-		2,206.51	2,206.51
Body Armor Grant	-		4,147.32	4,147.32
Emergency Management Assistance 2023	-		10,000.00	10,000.00
Recycling Tonnage Grant	50,400.57	50,400.57		-
Total State	<u>180,729.19</u>	<u>50,400.57</u>	<u>16,353.83</u>	<u>146,682.45</u>
LOCAL GRANTS:				
None	-			-
	-		-	-
	-		-	-
	<u>180,729.19</u>	<u>50,400.57</u>	<u>33,022.13</u>	<u>163,350.75</u>

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2022	\$	53,596.26
Increased By Receipts:		
Dog Licenses Fees	\$ 2,457.00	
Other	249.00	
State License Fees	552.60	
Interest Earned on Investments	966.19	
		4,224.79
		57,821.05
Decreased By Disbursements:		
Animal Control Expenditures	\$ 2,096.94	
Due to Current Fund	44,384.06	
Due to State of New Jersey	367.80	
		46,848.80
Balance December 31, 2023	\$	10,972.25

TRUST FUND
SCHEDULE OF ASSESSMENT CASH - TREASURER

Balance December 31, 2022		\$	165,598.31
Increased By Receipts:			
Assessments Receivable	\$	65,595.00	
Interest on Assessments		111.07	
Interest due to Current Fund		<u>3,492.90</u>	
			<u>69,198.97</u>
			234,797.28
Decreased By Disbursements:			
Payment of Bond Principal	\$	70,000.00	
Due to Current Fund		<u>1,338.77</u>	
			<u>71,338.77</u>
Balance December 31, 2023		\$	<u><u>163,458.51</u></u>

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2022- Treasurer	\$	3,624,131.90
Balance December 31, 2022 - Collector		<u>897,394.42</u>
		4,521,526.32
Increased By Receipts:		
Escrow Deposits	\$	1,366,693.81
Unemployment		18,454.87
Housing Rehabilitation		34,300.00
Forfeited Funds		3,572.60
Municipal Alliance Grant Receipts		13,396.43
Dedicated Recreation Receipts		192,098.66
Street Openings		11,000.00
Urban Aid		15,774.07
Animal Advisory Awareness		51.22
Payroll Trust	12,889,461.52	
Sewer Escrow Receipts		25,000.00
COAH Funds Received & Interest Earned		370,398.04
Tax Title Lien Premiums		37,000.00
Tax Title Lien Redemptions		565,399.32
Police Special Detail		107,697.50
Subdivisions - Map Changes		1,000.00
Parking Offenses		4.00
Snow Removal		22,000.00
Due from Utility Operations		5,564.85
State of New Jersey - Marriage Licenses		1,425.00
State Training Fees		38,077.00
Accumulated Absences and Interest Earned		<u>26,785.01</u>
		<u>15,745,153.90</u>
		20,266,680.22

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Decreased By Disbursements:		
Escrow Disbursements	444,541.84	
Housing Rehabilitation	31,250.00	
Municipal Alliance Expenses	14,084.87	
Dedicated Recreation Expenditures	177,629.17	
Payroll Trust	12,887,133.91	
Sewer Escrow Expenditures	10,000.00	
Snow Removal Expenditures	5,000.00	
COAH Expenses	42,803.00	
Subdivisions - Map Changes	16,861.40	
Tax Title Lien Premiums	860,900.00	
Tax Title Lien Redemptions	417,368.72	
Forfeited Funds	4,629.43	
Police Special Detail	106,129.45	
Due to Current Fund - Other	1,692.46	
State Training Fees	56,762.00	
Accumulated Absences	98,067.66	
Unemployment	17,590.93	
		<u>15,192,444.84</u>
Balance December 31, 2023		\$ <u><u>5,074,235.38</u></u>
Balance December 31, 2023 - Treasurer		\$ 4,852,710.36
Balance December 31, 2023 - Collector		<u>221,525.02</u>
		\$ <u><u>5,074,235.38</u></u>

TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Improvements</u>	<u>Balance Dec. 31, 2022</u>	<u>Assessments Confirmed</u>	<u>Collections</u>	<u>Transferred to Assessment Liens</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2023</u>	<u>Balance Pledged to Bonds</u>	<u>Balance Pledged to Reserve</u>
1470-14 Sterback Harbor Dredge Project \$	522,325.89		65,595.00			456,730.89	400,034.39	56,696.50

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	Assessments Confirmed	Interest and Cost of Assessment	Collections	Adjustment	Transfers		Balance Dec. 31, 2023 Pledged to Reserve
							From	To	
Assessments Receivable: 1470-14	Sterback Harbor Dredge project	\$ 56,585.43		111.07					56,696.50
		\$ 56,585.43	-	111.07	-	-			56,696.50

ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENT SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2022	Decreased	Balance Dec. 31, 2023
			Date	Amount	December 31, 2023				
Sterback Harbor Dredge Project	2/17/2016	1,080,000	11/1/2024	\$ 70,000.00	2.000%	630,000.00	70,000.00	560,000.00	
			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>630,000.00</u>	<u>70,000.00</u>	<u>560,000.00</u>	

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2022		\$	7,476.00
Increased By:			
Dog Licenses Fees Collected	\$	2,611.00	
Other		<u>249.00</u>	
			<u>2,860.00</u>
			10,336.00
Decreased By Disbursements:			
Animal Control Expenditures	\$	2,096.94	
Statutory Excess Due to Current Fund		<u>1,704.86</u>	
			<u>3,801.80</u>
Balance December 31, 2023		\$	<u><u>6,534.20</u></u>

License Fees Collected	<u>Year</u>		
	2021	\$	3,647.00
	2022		<u>2,887.20</u>
			<u><u>6,534.20</u></u>

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

Balance December 31, 2022	\$	44,384.06
Increased By:		
Statutory Excess in Reserves for Expenditures	\$	1,704.86
Interest Earned		966.19
		2,671.05
		47,055.11
Decreased By:		
Cash Disbursements	\$	44,384.06
		44,384.06
Balance December 31, 2023	\$	2,671.05

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

Balance December 31, 2022	\$	7.20
Increased By:		
Collected	\$	552.60
		552.60
		559.80
Decreased By:		
Paid to State of New Jersey	\$	367.80
		367.80
Balance December 31, 2023	\$	192.00

TRUST FUND
OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS TRUST RESERVES

	Balance Dec. 31, 2022	Budget Appropriation	Fees, Refunds, Interest and Donations	Disbursed	Balance Dec. 31, 2023
Reserve for Community Development Block Grant	\$ 2,676.80				2,676.80
Reserve for Deposits for Redemption of Tax Liens	36,494.42		565,399.32	417,368.72	184,525.02
Reserve for Tax Sale Premiums	860,900.00		37,000.00	860,900.00	37,000.00
Reserve for Unemployment Compensation	198,721.59	15,000.00	3,454.87	17,590.93	199,585.53
Reserve for Escrow Deposits	1,403,967.73		1,366,693.81	444,541.84	2,326,119.70
Reserve for Street Openings	12,270.00		11,000.00		23,270.00
Reserve for Sewer Escrows	151,946.31		25,000.00	10,000.00	166,946.31
Reserve for Smart Growth Plan	33,013.31				33,013.31
Reserve for Housing Rehabilitation	43,612.76		34,300.00	31,250.00	46,662.76
Reserve for Parking Offenses Adjudication Act	321.00		4.00		325.00
Reserve for Urban Aid	712,388.74		15,774.07		728,162.81
Reserve for Recreation Dedicated Trust	138,838.05		192,098.66	177,629.17	153,307.54
Reserve for Police Forfeiture	11,189.50		3,572.60	4,629.43	10,132.67
Reserve for Special Police Detail	260,855.27		107,697.50	106,129.45	262,423.32
Reserve for Snow Removal	96,330.21	22,000.00		5,000.00	113,330.21
Reserve for Subdivisions - Map Changes	19,682.50		1,000.00	16,861.40	3,821.10
Reserve for Accumulated Absences	361,755.68	20,000.00	6,785.01	98,067.66	290,473.03
Reserve for Donations - Bus Shelters	836.08				836.08
Reserve for Council on Affordable Housing - Fees	222,363.64		370,398.04	42,803.00	549,958.68
Reserve for Animal Advisory Awareness	886.68		51.22		937.90
Reserve for Payroll Trust	41,136.39		12,889,461.52	12,887,133.91	43,464.00
Reserve for Construction Code Fees	6,046.00				6,046.00
	<u>\$ 4,616,232.66</u>	<u>57,000.00</u>	<u>15,629,690.62</u>	<u>15,119,905.51</u>	<u>5,183,017.77</u>

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

Balance December 31, 2022		\$ 2,155,828.53
Increased by:		
Bond Anticipation Notes Issued	6,145,000.00	
Capital Improvement Fund	106,000.00	
Premium on Note Sale	38,221.90	
		6,289,221.90
		8,445,050.43
Decreased by:		
Improvement Authorizations	2,160,299.60	
Bond Anticipation Notes Paid	4,145,000.00	
Reserve to Pay Notes	25,000.00	
		6,330,299.60
Balance December 31, 2023		\$ <u><u>2,114,750.83</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2022	Receipts		Disbursements		Transfers		Balance Dec. 31, 2023
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 215,318.82							215,318.82
Capital Improvement Fund	(25,491.65)	106,000.00			75,336.00	25,491.65		30,664.00
Contracts Payable	765,968.47				765,968.47	728,858.14		728,858.14
Reserve to Pay Notes	33,983.55	38,221.90						47,205.45
Improvement Authorizations:								
Ord.								
Number								
1359-10 Road and Drainage Improvements	(0.86)							(0.86)
1461-13 Demolition of Unsafe Structures	94,146.00			29,000.00				39,654.35
1532-16 Various Capital Improvements	(188,282.44)			3,268.41	25,491.65	3,268.41		(188,282.44)
1549-17 Various Capital Improvements	61,171.30							61,171.30
1575-18 Various Capital Improvements	14,577.31			7,022.62	4,486.38	8,035.32		11,103.63
1589-19 Various Capital Improvements	33,623.24			33,657.11		24,293.61		24,259.74
1630-21 Various Capital Improvements	(1,359,235.12)		2,000,000.00	872,698.73	222,583.43	580,131.04		125,613.76
1652-22 Various Capital Improvements	2,510,049.91			1,149,564.88	199,970.80	150,240.09		1,310,754.32
1679-23 Various Capital Improvements	-			65,087.85	301,817.53	75,336.00		(291,569.38)
	<u>\$ 2,155,828.53</u>	<u>144,221.90</u>	<u>2,000,000.00</u>	<u>2,160,299.60</u>	<u>1,595,654.26</u>	<u>1,595,654.26</u>		<u>2,114,750.83</u>

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

Balance December 31, 2022	\$	-
Increased by:		
Current Fund Budget Appropriation	106,000.00	
		106,000.00
		106,000.00
Decreased by:		
Financed Improvement Authorization	75,336.00	
		75,336.00
Balance December 31, 2023	\$	30,664.00

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

Balance December 31, 2022		\$	4,815,560.54
Increased by:			
None	\$	-	
		<hr/>	<hr/>
			-
			4,815,560.54
Decreased by:			
Budget Appropriation to Pay Bonds/Loans:			
Municipal Bonds	735,000.00		
Green Trust Loans	60,898.87		
	<hr/>		<hr/>
			795,898.87
Balance December 31, 2023		\$	<u>4,019,661.67</u>

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

Ord #	Improvement Description	Balance	2023	Raised in	Balance	Bond	Analysis of Balance		Unexpended
		Dec. 31, 2022	Authorizations	2023 Budget	Dec. 31, 2023	Anticipation Notes	Expenditures	Improvement Authorizations	
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	1,800,500.00			1,800,500.00	1,600,000.00			200,500.00
1630-21	Various Capital Improvements	2,636,766.00			2,636,766.00	2,000,000.00			636,766.00
1652-22	Various Capital Improvements	2,545,735.00			2,545,735.00	2,545,000.00			735.00
1679-23	Various Capital Improvements	-	1,506,664.00	200,000.00	1,306,664.00			291,569.38	1,015,094.62
		<u>\$ 7,183,181.87</u>	<u>1,506,664.00</u>	<u>200,000.00</u>	<u>8,489,845.87</u>	<u>6,145,000.00</u>		<u>479,852.68</u>	<u>1,864,993.19</u>

Improvement Authorizations Unfunded 3,325,621.01

Less:

Unexpended Proceeds of Bond

Anticipation Notes Issued:

Ord. Number	
1589-19	\$ 24,259.74
1630-21	125,613.76
1652-22	1,310,754.32

1,460,627.82

1,864,993.19

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2022		Authorizations		Paid or Charged	Balance December 31, 2023	
				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				29,000.00	65,146.00	
1532-16	Various Capital Improvements	9/7/2016	1,250,000		11,897.57			-	61,171.30	11,897.57
1549-17	Various Capital Improvements	11/6/2017	267,000	61,171.30						
1575-18	Various Capital Improvements	11/19/2018	419,500	14,577.31				3,473.68	11,103.63	
1589-19	Various Capital Improvements	6/17/2019	2,190,000		34,123.24			9,363.50		24,759.74
1630-21	Various Capital Improvements	8/2/2021	2,775,482		1,277,530.88			515,151.12		762,379.76
1652-22	Various Capital Improvements	8/1/2022	2,673,025		2,510,784.91			1,199,295.59		1,311,489.32
1679-23	Various Capital Improvements	9/6/2023	1,582,000			75,336.00		366,905.38		1,215,094.62
				<u>\$ 169,894.61</u>	<u>3,834,336.60</u>	<u>75,336.00</u>	<u>1,506,664.00</u>	<u>2,123,189.27</u>	<u>137,420.93</u>	<u>3,325,621.01</u>

Capital Improvement Fund	\$ 75,336.00	Cash Disbursed	\$ 2,160,299.60
	<u>75,336.00</u>	Prior Year Payable	(765,968.47)
		Contracts Payable	728,858.14
			<u>\$ 2,123,189.27</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, 2022	Decreased	Balance Dec. 31, 2023
			Date	Amount				
General Improvement Bonds of 2016	11/1/2016	\$ 8,820,000	11/1/2024	\$ 740,000.00	2.000%	\$ 4,520,000.00	735,000.00	3,785,000.00
			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>\$ 4,520,000.00</u>	<u>735,000.00</u>	<u>3,785,000.00</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding	Interest Rate	Balance	
					Dec. 31, 2022	Dec. 31, 2023
			Date	Amount	Decreased	Balance
1070-00 Davies Complex	11/3/2004	\$ 340,000	2/8/2024 8/8/2024	10,362.85 10,466.56	20,418.91	20,829.41
1107-02 Park Acquisition Fort Apache I	12/21/2004	250,000	1/5/2024 7/5/2024	6,145.99 14,144.18	12,110.03	20,290.17
1094-01 Shellbay Avenue Park	12/31/2004	150,000			7,678.39	-
1299-08 Goshen Rd Complex Ph II	6/28/2012	400,000	4/3/2024 10/3/2024 4/03/25-32	10,501.22 10,606.23 172,434.64	20,691.54	193,542.09
					<u>60,898.87</u>	<u>234,661.67</u>
					\$ <u>295,560.54</u>	<u>234,661.67</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Debt Issued	Balance Dec. 31, 2023
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		2,000,000.00	636,766.00
1652-22	Various Capital Improvements	735.00			735.00
1679-23	Various Capital Improvements	-	1,506,664.00		1,506,664.00
		<u>\$ 2,838,181.87</u>	<u>1,506,664.00</u>	<u>2,000,000.00</u>	<u>2,344,845.87</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, 2022	Increased	Decreased	Balance Dec. 31, 2023
Various Capital Improvements	1589-19	9/9/2021	9/7/2022	9/7/2023	3.750%	\$ 1,800,000.00		1,800,000.00	-
		9/9/2021	9/6/2023	9/5/2024	4.500%	-	1,600,000.00		1,600,000.00
Various Capital Improvements	1652-22	9/7/2022	9/7/2022	9/7/2023	3.750%	2,545,000.00		2,545,000.00	-
		9/7/2022	9/6/2023	9/5/2024	4.500%	-	2,545,000.00		2,545,000.00
Various Capital Improvements	1630-21	9/6/2023	9/6/2023	9/5/2024	4.500%	-	2,000,000.00		2,000,000.00
						\$ 4,345,000.00	<u>6,145,000.00</u>	<u>4,345,000.00</u>	<u>6,145,000.00</u>

Cash Disbursed \$ 4,145,000.00
 Paid by Budget Appropriation 200,000.00
\$ 4,345,000.00

**SEWER UTILITY FUND
SCHEDULE OF CASH**

	Operating	Capital
Balance December 31, 2022	\$ 1,098,051.03	942,969.36
Increased by Receipts:		
Sewer Rent Collected	\$ 4,529,946.68	
Sewer Liens Collected	1,260.00	
Reserve to Pay Debt Service	58,187.49	
Miscellaneous Revenue Anticipated	330,128.99	
Miscellaneous Revenue Not Anticipated	343.32	
Prepaid Sewer Rents	584,095.30	
Due from Sewer Capital Fund	178,353.00	
Bond Anticipation Notes Issued		2,100,000.00
Capital Improvement Fund		275,000.00
Note Premium		28,612.00
	<u>5,682,314.78</u>	<u>2,403,612.00</u>
	6,780,365.81	3,346,581.36
Decreased by Disbursements:		
Current Appropriations	\$ 5,379,347.89	
Appropriation Reserves	34,902.92	
Due to Sewer Escrow Fund	5,564.85	
Due to Sewer Operating Fund		178,353.00
Reserve to Pay Bonds		58,187.49
Improvement Authorizations		2,159,541.44
Accrued Interest on Bonds and Notes		
	<u>5,419,815.66</u>	<u>2,396,081.93</u>
Balance December 31, 2023	\$ 1,360,550.15	950,499.43

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2023
	Bonds/Loans Issued	Misc.	Improvement Authorizations	Misc.	From	To	
	Balance Dec. 31, 2022						
Capital Fund Balance							14,856.65
Due to Sewer Operating Fund				178,353.00			-
Capital Improvement Fund		275,000.00					824,750.00
Contracts Payable					2,605,127.45	462,303.73	462,303.73
Reserve to Pay Bonds				58,187.49			1,047,172.70
Reserve to Pay Notes		28,612.00					66,990.25
<u>Improvement Authorizations</u>							
Ord.							
Number							
1223-06/ Various Sewer Improvements:							
1267-07	151,632.40						151,632.40
1294-08 Satt Blvd. Sanitary Sewer	-						-
1364-10 Various Sewer Improvements:	(177,117.83)						(177,117.83)
1417-12/ Grassy Sound Connection to Sewer System	(988,140.45)						(988,140.45)
1543-17							
1453-13 Various Sewer Improvements:	(32,955.76)						(32,955.76)
1579-18 Various Sewer Improvements:	-		13,967.54			13,967.54	-
1590-19 Various Capital Improvements	8,135.72		234,686.66			234,487.01	7,936.07
1619-21 Various Capital Improvements	(2,555,854.84)		1,896,302.67		462,303.73	2,356,672.90	(457,788.34)
1629-21 Purchase of Pickup Truck & Pump	45,444.58						45,444.58
1678-23 Various Capital Improvements	-		14,584.57				(14,584.57)
	<u>\$ 942,969.36</u>	<u>303,612.00</u>	<u>2,159,541.44</u>	<u>236,540.49</u>	<u>3,067,431.18</u>	<u>3,067,431.18</u>	<u>950,499.43</u>

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

Balance December 31, 2022		\$ 4,016.39
Increased By:		
Sewer Rents and Other Charges Levied	\$ 5,127,508.33	
	<hr/>	<hr/>
		5,127,508.33
		5,131,524.72
Decreased By:		
Collections - Sewer Fund	4,529,946.68	
Prepayments/Overpayments Applied	544,910.36	
Transfer to Lien	2,083.64	
	<hr/>	<hr/>
		5,076,940.68
Balance December 31, 2023		<hr/> <hr/> 54,584.04

SCHEDULE OF UTILITY LIENS

Balance December 31, 2022		\$ 1,557.36
Increased By:		
Transfer from Sewer Accounts Receivable	\$ 2,083.64	
	<hr/>	<hr/>
		2,083.64
		3,641.00
Decreased By:		
Collections	1,260.00	
	<hr/>	<hr/>
		1,260.00
Balance December 31, 2023		<hr/> <hr/> 2,381.00

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

	<u>Balance Dec. 31, 2022</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,608.61	1,608.61		1,608.61
Other Expenses	35,376.19	35,376.19	34,902.92	473.27
Insurance	4,000.00	4,000.00		4,000.00
CMCMUA User Charges	969.00	969.00		969.00
Social Security System	1,077.54	1,077.54		1,077.54
 TOTALS	 \$ <u>43,031.34</u>	 <u>43,031.34</u>	 <u>34,902.92</u>	 <u>8,128.42</u>
 Appropriation Reserves	 \$ 12,567.89	 Cash	 34,902.92	
Reserve for Encumbrances	30,463.45			
	<u>\$ 43,031.34</u>		<u>34,902.92</u>	
 Transfer to Accounts Payable			 \$ 34,902.92	
Cash Disbursements			<u>34,902.92</u>	

**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, 2022	Increased	Decreased	Balance Dec. 31, 2023
1590-19	Various Sewer Improvements	9/9/2021 9/9/2021	9/7/2022 9/6/2023	9/7/2023 9/5/2024	3.750% \$ 4.500%	2,500,000.00	2,500,000.00	2,500,000.00	- 2,500,000.00
1619-21	Various Sewer Utility Improvements	9/6/2023	9/6/2023	9/5/2024	4.500%	-	2,100,000.00	2,100,000.00	2,100,000.00
						<u>\$ 2,500,000.00</u>	<u>4,600,000.00</u>	<u>2,500,000.00</u>	<u>4,600,000.00</u>

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

Balance December 31, 2022		\$	216,807.72
Increased By:			
Budget Appropriation:			
Interest on Bonds	\$	616,576.84	
Interest on Notes		133,062.50	
			749,639.34
			966,447.06
Decreased By:			
Payments of Interest	\$	721,533.96	
			721,533.96
Balance December 31, 2023		\$	244,913.10

Analysis of Accrued Interest December 31, 2023

Principal Outstanding Dec. 31, 2023	Interest Rate	From	To	Days	Amount
<u>Serial Bonds</u>					
\$ 6,885,000.00	Variable	8/15/2023	12/31/2023	138	\$ 90,937.50
1,685,000.00	Variable	12/15/2023	12/31/2023	16	2,584.90
6,010,000.00	Variable	8/15/2023	12/31/2023	138	74,981.25
<u>Rural Development Bonds</u>					
1,428,388.08	2.25%	12/15/2023	12/31/2023	15	1,339.13
85,362.63	3.50%	10/25/2023	12/31/2023	67	3,788.17
661,240.16	2.75%	10/25/2023	12/31/2023	67	622.40
683,225.53	2.00%	12/22/2023	12/31/2023	9	569.34
1,308,545.02	2.00%	12/22/2023	12/31/2023	9	1,090.41
<u>Bond Anticipation Notes</u>					
4,600,000.00	3.75%	9/8/2023	12/31/2023	114	69,000.00
\$ 23,346,761.42					\$ 244,913.10

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

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding					
			Date	Amount	Interest Rate	Balance Dec. 31, 2022	Decreased	Balance Dec. 31, 2023
Refunding Bonds of 2013	4/30/2013	\$ 10,350,000	8/15/2024	390,000.00	4.000%	\$ 7,275,000.00	390,000.00	6,885,000.00
			8/15/2025	410,000.00	4.000%			
			8/15/2026	435,000.00	3.000%			
			8/15/2027	435,000.00	3.000%			
			8/15/2028	455,000.00	3.125%			
			8/15/2029	465,000.00	3.250%			
			8/15/2030	480,000.00	3.375%			
			8/15/2031	495,000.00	3.375%			
			8/15/2032	515,000.00	3.375%			
			8/15/2033	530,000.00	3.625%			
			8/15/2034	420,000.00	3.625%			
			8/15/2035	365,000.00	3.625%			
			8/15/2036	250,000.00	3.625%			
		8/15/2037	205,000.00	3.875%				
		8/15/2038	215,000.00	3.875%				
		8/15/1939	215,000.00	3.875%				
		8/15/2040	225,000.00	3.875%				
		8/15/2041	235,000.00	3.875%				
		8/15/2042	145,000.00	3.875%				
Refunding Issue of 2019	11/14/2019	2,420,000.00	12/15/2024	205,000.00	4.000%	1,885,000.00	200,000.00	1,685,000.00
			12/15/2025	215,000.00	4.000%			
			12/15/2026	215,000.00	4.000%			
			12/15/2027	230,000.00	4.000%			
			12/15/2028	245,000.00	4.000%			
		12/15/2029	245,000.00	4.000%				
		12/15/2030	165,000.00	2.375%				
		12/15/2031	165,000.00	2.375%				

See Accompanying Auditor's Report

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

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Decreased	Balance Dec. 31, 2023
			Date	Dec. 31, 2023	Amount			
Refunding Issue of 2021	6/29/2021	6,285,000.00	8/15/2024	130,000.00	130,000.00	4.000%	6,135,000.00	6,010,000.00
			8/15/2025	135,000.00	135,000.00	4.000%		
			8/15/2026	140,000.00	140,000.00	4.000%		
			8/15/2027	145,000.00	145,000.00	4.000%		
			8/15/2028	155,000.00	155,000.00	4.000%		
			8/15/2029	160,000.00	160,000.00	4.000%		
			8/15/2030	165,000.00	165,000.00	4.000%		
			8/15/2031	175,000.00	175,000.00	4.000%		
			8/15/2032	180,000.00	180,000.00	4.000%		
			8/15/2033	185,000.00	185,000.00	4.000%		
			8/15/2034	195,000.00	195,000.00	4.000%		
			8/15/2035	200,000.00	200,000.00	4.000%		
			8/15/2041	1,355,000.00	1,355,000.00	3.000%		
			8/15/2046	1,330,000.00	1,330,000.00	3.000%		
			8/15/2051	1,360,000.00	1,360,000.00	3.000%		
							\$ 15,295,000.00	715,000.00
								14,580,000.00

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, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
Sewer line Supplement	12/15/2011	\$ 1,815,000	2024	\$ 37,148.74	2.25%	\$ 1,464,729.36		36,341.28	1,428,388.08
			2025-2050	1,391,253.83					
1223-06 (b) Water Reuse	4/24/2013	100,000	2024	1,693.19	3.50%	86,992.57		1,629.94	85,362.63
			2025-2050	83,663.95					
1364-10 SSGC Phase II	4/24/2013	794,400	2024	14,791.78	2.75%	675,601.09		14,360.93	661,240.16
			2025-2050	646,416.08					
1417-12 / 1543-17 Grassy Sound Connection to Sewer System	6/22/2018	755,000	2024	13,919.15	2.00%	696,849.55		13,624.02	683,225.53
			2024-2058	669,285.52					
1417-12 / 1543-17 Grassy Sound Connection to Sewer System	6/22/2018	1,446,000	2024	26,656.52	2.00%	1,334,636.37		26,091.35	1,308,545.02
			2025-2058	1,281,848.53					
						\$ 4,258,808.94		92,047.52	4,166,761.42

See Accompanying Auditor's Report

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

Ord. Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Bond, Notes or Grants Issued	Balance Dec. 31, 2023
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		2,100,000.00	465,000.00
1678-23	2023 Sewer Utility Improvements		925,000.00		925,000.00
		<u>\$ 4,625,750.00</u>	<u>925,000.00</u>	<u>2,100,000.00</u>	<u>3,450,750.00</u>

See Accompanying Auditor's Report

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

Balance December 31, 2022		\$	549,750.00
Increased By:			
Budget Appropriation	\$		275,000.00
			275,000.00
			824,750.00
Decreased By:			
None	\$		-
			-
Balance December 31, 2023		\$	824,750.00

TOWNSHIP OF MIDDLE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

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:

- Walsh Avenue and South Third Street Roadway Improvements
- Police uniforms
- Ockie Site Improvements
- Renovate Middle Township Municipal Building Restrooms
- Electrical Service and Repair
- Heating, Ventilation and Air Conditioning Preventive Maintenance Repair
- Goshen Sports Complex Metal Roof Cleaning, Refinishing and Waterproofing
- Hand Avenue Sidewalk Extension
- Third Party On-Site Inspection and Plan Review
- South Dennis Road Pump Station Improvements
- Burglar and Fire Alarm Administrative Services
- (1) New F-600 Super Duty 4x4 Truck
- Public Information Officer
- Del Haven Reconstruction Project
- Township Wide Janitorial Services

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, 2023.

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>
2023	589
2022	601
2021	618

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 2024 and 2023 Taxes	25
Payment of Sewer Rents	25

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 Cash Collections</u>	<u>Percentage of Collections</u>
2023	\$ 59,677,025.00	59,552,074.48	99.79%
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%

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ 1.973	1.913	1.864	1.573	1.781
Apportionment of Tax Rate:					
Municipal	0.566	0.519	0.492	0.484	0.483
County	0.309	0.302	0.288	0.028	0.27
Local School	1.098	1.092	1.084	1.061	1.028
Assessed Valuation	2,852,189,393	2,814,910,482	2,781,280,220	2,765,781,146	2,760,445,921

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>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2023	\$ 737,625.76	11,491.71	749,117.47	1.26%
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%

RECOMMENDATIONS

None

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the Township Committee in response to comments, if any.

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

June 28, 2024