

TOWNSHIP OF PLUMSTED

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2021**

**TOWNSHIP OF PLUMSTED
COUNTY OF OCEAN**

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COUNTY OF OCEAN**

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(concluded)

**TOWNSHIP OF PLUMSTED
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Plumsted
New Egypt, New Jersey

Opinions

We have audited the accompanying financial statements of the various funds and account group of the Township of Plumsted, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Township of Plumsted, as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statement of revenues – regulatory basis, statement of expenditures – regulatory basis for the year ended December 31, 2021, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the 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 the Township of Plumsted, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Plumsted 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, the financial statements are prepared by the Township of Plumsted, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) 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 Plumsted's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Plumsted's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Plumsted's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also 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 information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2022, on our consideration of the Township of Plumsted's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Plumsted 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 Plumsted's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA No. 435

Lakewood, New Jersey
July 20, 2022

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

Honorable Mayor and Members
Of the Township Committee
Township of Plumsted
County of Ocean
New Egypt, 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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Plumsted, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 20, 2022. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA No. 435

Lakewood, New Jersey
July 20, 2022

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 3,727,685.81	\$ 2,611,136.71
Change Fund	A-4	750.00	650.00
Due from State of New Jersey Ch. 20, P.L. 1971	A-13	1,675.35	
		<u>3,730,111.16</u>	<u>2,611,786.71</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	97.86	7,612.94
Municipal Liens Receivable	A-6	79,311.10	73,714.13
Property Acquired for Taxes	A-7	196,900.00	196,900.00
Revenue Accounts Receivable	A-8	1,065.38	3,367.12
Interfunds Receivable	A-17	31.10	0.03
		<u>277,405.44</u>	<u>281,594.22</u>
Deferred Charges:			
Special Emergency Authorizations 40A:4-53	A-9		2,000.00
		<u>4,007,516.60</u>	<u>2,895,380.93</u>
Grant Fund:			
Interfund - Current Fund	A-20	748,316.30	42,744.44
Grants Receivable	A-21	344,281.93	474,778.68
		<u>1,092,598.23</u>	<u>517,523.12</u>
Total Assets		<u>\$ 5,100,114.83</u>	<u>\$ 3,412,904.05</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Appropriation Reserves	A-3:A-10	\$ 453,133.97	\$ 559,962.70
Accounts Payable	A-4	4,169.00	4,573.28
Tax Overpayments	A-11	5,081.39	11,674.23
Prepaid Taxes	A-12	273,429.75	201,924.11
Due State of New Jersey	A-13	7,465.00	6,100.65
County Taxes Payable	A-14		
Local School District Tax Payable	A-15	654,070.65	591,376.65
Municipal Open Space Tax Payable	A-4:A-5		161.53
Due New Hanover - UCC	A-4	125.00	1,508.00
Due New Hanover - DCA	A-4	324.00	276.00
Due Plumsted MUA	A-16		516.04
Interfunds Payable	A-20	748,316.30	42,744.44
Reserve for Encumbrances	A-18	132,471.22	140,825.21
Miscellaneous Reserves	A-19	20,907.64	15,179.49
		<u>2,299,493.92</u>	<u>1,576,822.33</u>
Reserve for Receivables and Other Assets	A	277,405.44	281,594.22
Fund Balance	A-1	<u>1,430,617.24</u>	<u>1,036,964.38</u>
		<u>4,007,516.60</u>	<u>2,895,380.93</u>
Grant Fund:			
Reserve for:			
Encumbrances	A-18	392,810.21	53,821.15
Grants Appropriated	A-22	251,230.93	463,701.97
Grants Unappropriated	A-23	448,557.09	
		<u>1,092,598.23</u>	<u>517,523.12</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,100,114.83</u>	<u>\$ 3,412,904.05</u>

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

"A-1"

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>REF.</u>	<u>YEAR 2021</u>	<u>YEAR 2020</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 646,480.54	\$ 682,728.68
Miscellaneous Revenue Anticipated	A-2	1,668,869.77	1,449,901.95
Receipts from Delinquent Taxes	A-2	25,095.77	41,252.59
Receipts from Current Taxes	A-2	20,879,407.61	20,491,893.58
Non-Budget Revenues	A-2	304,388.71	163,988.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	488,883.11	470,228.02
Canceled Tax Overpayments	A-11	4,869.99	
Cancellation of Grants - Appropriated	A-20	120,517.84	70,732.66
<u>TOTAL INCOME</u>		<u>24,138,513.34</u>	<u>23,370,725.49</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Salaries and Wages		1,827,239.00	1,739,374.00
Other Expenses		1,888,722.74	1,753,133.42
Capital Improvements		60,000.00	125,000.00
Municipal Debt Service		229,148.22	200,303.72
Deferred Charges and Statutory Expenditures		476,921.00	430,050.00
	A-3	4,482,030.96	4,247,861.14
County Taxes	A-14	3,528,645.46	3,712,376.97
Local School District Tax	A-15	12,882,551.00	12,757,154.00
Special District Tax	A-5	1,927,855.38	1,825,491.00
Municipal Open Space Tax	A-5	156,748.23	158,843.89
Cancellation of Grants Receivable	A-20	120,517.84	67,466.41
Refund of Prior Year Revenue			332.39
Reserve for Interfunds	A	31.07	0.03
<u>TOTAL EXPENDITURES</u>		<u>23,098,379.94</u>	<u>22,769,525.83</u>
Statutory Excess to Fund Balance		<u>1,040,133.40</u>	<u>601,199.66</u>
<u>FUND BALANCE</u>			
Fund Balance, January 1	A	<u>1,036,964.38</u>	<u>1,118,493.40</u>
		2,077,097.78	1,719,693.06
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>646,480.54</u>	<u>682,728.68</u>
Balance, December 31	A	<u>\$ 1,430,617.24</u>	<u>\$ 1,036,964.38</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

REF.	BUDGET	ANTICIPATED		EXCESS OR (DEFICIT)
		SPECIAL N.J.S. 40A: 4-87	REALIZED	
A-1	\$ 646,480.54	\$	\$ 646,480.54	\$
A-8	10,300.00		10,300.00	
A-8	6,820.00		7,598.00	778.00
A-8	83,900.00		107,834.00	23,934.00
A-8	36,000.00		27,008.23	(8,991.77)
A-8	22,000.00		14,473.77	(7,526.23)
A-8	3,000.00		3,917.98	917.98
A-8	25,340.51		25,340.51	
A-8	1,200.00		3,405.00	2,205.00
A-8	46,000.00		47,976.54	1,976.54
A-8	25,000.00		25,000.00	
A-8	21,000.00		26,250.00	5,250.00
A-8	447,223.00		447,223.00	
A-8	7,866.00		7,852.00	(14.00)
A-8	15,000.00		15,650.00	650.00
A-8	324,000.00		498,088.00	174,088.00
A-8	13,000.00		13,000.00	
A-8	4,500.00		4,500.00	
A-20		1,817.59	1,817.59	
A-20	1,359.36		1,359.36	
A-20		38,722.00	38,722.00	
A-20		18,484.18	18,484.18	
A-20	1,656.39		1,656.39	
A-20	292,700.00		292,700.00	
A-20		2,513.22	2,513.22	
A-20	16,200.00		16,200.00	
A-20	10,000.00		10,000.00	
A-1	\$ 1,414,065.26	\$ 61,536.99	\$ 1,668,869.77	\$ 193,267.52

Fund Balance Appropriated

Miscellaneous Revenues:

Licenses:

Alcoholic Beverage

Other

Fees and Permits

Fines and Costs:

Municipal Court

Interest and Costs on Taxes

Interest on Investments and Deposits

Cable Television Franchise Fees

Police Towing Fees

Cell Tower Revenue

Off Duty Municipal Police

Battery Storage Facility

Energy Receipts Tax

Garden State Trust Fund

Uniform Construction Code Fees:

Rental/Smoke Detection Inspection

Additional Uniform Construction Code Fees

Shared Service Agreements:

New Hanover - Uniform Construction Code:

Salaries and Wages

Other Expenses

Alcohol Education and Rehabilitation Fund

Body Armor Replacement Fund

Body-Worn Camera Grant

Clean Communities Program

Drunk Driving Enforcement Fund

NJ Department of Transportation Municipal Aid: Hopkins Road

Recycling Tonnage Grant

Safe and Secure Communities Program

Senior Center

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>ANTICIPATED</u>		<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
		<u>BUDGET</u>	<u>SPECIAL N.J.S. 40A: 4-87</u>		
Receipts From Delinquent Taxes	A-1:A-2	\$	\$	\$ 25,095.77	\$ 25,095.77
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Budget	A-2	2,419,388.00		2,443,047.37	23,659.37
<u>Budget Totals</u>		4,479,933.80	61,536.99	4,783,493.45	242,022.66
Non-Budget Revenue	A-1:A-2			304,388.71	304,388.71
	<u>REF.</u>	<u>\$ 4,479,933.80</u>	<u>\$ 61,536.99</u>	<u>\$ 5,087,882.16</u>	<u>\$ 546,411.37</u>
		A-3	A-3		

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$ 20,879,407.61
Less:		
Allocated to Local School District, County, Municipal Open Space and Special District Taxes	A-5	<u>18,495,800.07</u>
Balance for Support of Municipal Budget Appropriations		2,383,607.54
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>59,439.83</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 2,443,047.37</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-2:A-5	\$ 685.11
Tax Title Lien Collections	A-2:A-6	<u>24,410.66</u>
	A-2	<u>\$ 25,095.77</u>

Analysis of Non-Budget Revenues:

Pilots - Lennar		\$ 140,532.32
Municipal Clerk		2,337.96
Finance Department		88,252.05
Police Department		770.00
Recycling		716.20
Construction Department		4,350.00
Tax Collector		18,354.79
Cares Act		20,917.87
Clothing Bin		300.00
Homestead Benefit Administrative Fee		272.40
Senior Citizen/Veterans Administrative Fee		1,010.00
Wind Damage		5,740.29
Unclassified		<u>20,834.83</u>
	A-2:A-4	<u>\$ 304,388.71</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
GENERAL GOVERNMENT:				
Shared Services:				
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$
Mayor and Township Committee:				
Salaries and Wages	5.00	5.00	5.00	1,971.27
Other Expenses	3,000.00	3,000.00	1,028.73	
Business Administrator/Community Development Coordinator:				
Salaries and Wages	30,600.00	30,600.00	30,591.34	8.66
Other Expenses	1,500.00	1,500.00	539.83	960.17
Municipal Clerk:				
Salaries and Wages	141,000.00	141,000.00	122,444.95	18,555.05
Other Expenses	38,850.00	38,850.00	25,912.11	12,937.89
Assessment Search Officer:				
Salaries and Wages	4,700.00	4,700.00	4,668.92	31.08
Financial Administration:				
Salaries and Wages	122,775.00	122,775.00	106,177.51	16,597.49
Other Expenses	19,700.00	19,700.00	11,773.69	7,926.31
Audit Services	32,250.00	32,250.00	31,500.00	750.00
Assessment of Taxes:				
Salaries and Wages	56,375.00	56,375.00	56,350.32	24.68
Other Expenses	6,850.00	6,850.00	3,906.14	2,943.86
Collection of Taxes:				
Salaries and Wages	71,500.00	71,500.00	68,715.52	2,784.48
Other Expenses	17,850.00	17,850.00	13,480.96	4,369.04
Tax Search Officer:				
Salaries and Wages	4,700.00	4,700.00	4,686.48	13.52
Legal Services and Costs:				
Other Expenses	79,000.00	79,000.00	59,734.08	19,265.92
Engineering Services and Costs:				
Other Expenses	25,000.00	31,000.00	29,398.50	1,601.50
Downtown Economic Development:				
Salaries and Wages	13,000.00	13,000.00	3,068.26	9,931.74
Other Expenses	4,000.00	4,000.00	4,000.00	

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Senior Outreach Services:				
Other Expenses	\$ 100.00	\$ 100.00	\$ 11.01	\$ 88.99
Planning Board:				
Salaries and Wages	5,300.00	5,300.00	5,143.20	156.80
Other Expenses	7,575.00	7,575.00	2,633.74	4,941.26
Zoning Officer:				
Salaries and Wages	7,750.00	7,750.00	7,721.48	28.52
Rental Inspections:				
Salaries and Wages	7,000.00	7,000.00	2,775.00	4,225.00
Code Enforcement Officer				
Salaries and Wages	6,850.00	6,850.00	6,817.98	32.02
Insurance:				
General Liability Insurance	80,807.00	80,807.00	80,807.00	
Workers Compensation Insurance	66,500.00	66,500.00	66,500.00	
Employees Group Health Insurance	400,000.00	369,000.00	337,267.02	31,732.98
Vision Program	3,000.00	3,000.00	2,031.74	968.26
Dental Program	18,500.00	18,500.00	15,845.90	2,654.10
Health Benefit Waiver	35,000.00	35,000.00	17,083.35	17,916.65
<u>PUBLIC SAFETY:</u>				
Public Safety Director:				
Salaries and Wages	1.00	1.00	1.00	
Police:				
Salaries and Wages	986,000.00	986,000.00	937,967.25	48,032.75
Other Expenses	91,550.00	91,550.00	61,802.22	29,747.78
Emergency Management Services:				
Salaries and Wages	8,200.00	8,200.00	8,160.10	39.90
Other Expenses	2,000.00	2,000.00	656.16	1,343.84
School Crossing Guards:				
Salaries and Wages	100.00	100.00	100.00	100.00

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Municipal Court:				
Salaries and Wages	\$ 53,000.00	\$ 53,000.00	\$ 41,810.15	\$ 11,189.85
Other Expenses	4,970.00	4,970.00	2,095.68	2,874.32
Public Defender (P.L. 1997, C. 256):				
Other Expenses	3,300.00	3,300.00	1,545.00	1,755.00
PUBLIC WORKS FUNCTIONS:				
Road Repairs and Maintenance:				
Other Expenses	31,500.00	31,500.00	25,000.00	6,500.00
Snow Removal:				
Other Expenses	81,500.00	81,500.00	81,500.00	
Recycling (Ch. 102, P.L. 1987):				
Salaries and Wages	2,000.00	2,000.00		2,000.00
Other Expenses	300.00	300.00		300.00
Sanitary Landfill:				
Other Expenses	700.00	700.00	500.00	200.00
Public Buildings and Grounds:				
Salaries and Wages	56,200.00	56,200.00	39,020.13	17,179.87
Other Expenses	66,400.00	66,400.00	51,950.86	14,449.14
HEALTH AND WELFARE				
Board of Health:				
Other Expenses	4,000.00	4,000.00		4,000.00
Soil/Water Testing	450.00	450.00		450.00
Environmental Committee:				
Other Expenses	350.00	350.00		350.00
Administration of Public Assistance:				
Relocation Costs	350.00	350.00		350.00
Catholic Charities	490.00	490.00	280.00	210.00
Federally Mandated Hepatitis Immunization:				
Other Expenses	490.00	490.00		490.00

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>PARKS AND RECREATION FUNCTIONS:</u>				
Recreation Department:				
Other Expenses	\$ 15,000.00	\$ 15,000.00	\$ 8,426.95	\$ 6,573.05
Celebration of Public Event, Anniversary or Holiday:				
Other Expenses	3,425.00	3,425.00	800.00	2,625.00
Council for the Arts:				
Other Expenses	500.00	500.00		500.00
Public Employee Awards (NJSA 40A:5-31):				
Salaries and Wages	750.00	750.00		750.00
Other Expenses	850.00	850.00	513.99	336.01
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>				
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17):</u>				
State Uniform Construction Code Official:				
Salaries and Wages	16,433.00	16,433.00	16,433.00	

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>UTILITIES:</u>				
Electricity	\$ 35,000.00	\$ 35,000.00	\$ 24,399.92	\$ 10,600.08
Street Lighting	60,000.00	60,000.00	41,987.69	18,012.31
Telephone	30,000.00	30,000.00	28,185.62	1,814.38
Water	6,000.00	6,000.00	4,099.42	1,900.58
Natural Gas	8,000.00	8,000.00	5,227.63	2,772.37
Heating Oil	6,000.00	6,000.00	1,081.63	4,918.37
Gasoline	30,000.00	30,000.00	19,280.81	10,719.19
<u>TOTAL OPERATIONS WITHIN "CAPS" CONTINGENT</u>	<u>2,918,846.00</u>	<u>2,893,846.00</u>	<u>2,527,344.97</u>	<u>366,501.03</u>
	<u>5,000.00</u>	<u>30,000.00</u>	<u>27,634.07</u>	<u>2,365.93</u>
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	<u>2,923,846.00</u>	<u>2,923,846.00</u>	<u>2,554,979.04</u>	<u>368,866.96</u>
Detail:				
Salaries and Wages	1,629,239.00	1,629,239.00	1,479,640.94	149,598.06
Other Expenses	1,294,607.00	1,294,607.00	1,075,338.10	219,268.90
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>				
Contribution to:				
Public Employees Retirement System	84,893.00	84,893.00	84,893.00	
Social Security System (O.A.S.I.)	145,000.00	145,000.00	127,262.10	17,737.90
Police and Firemen's Retirement System of N.J.	232,028.00	232,028.00	232,028.00	
State Unemployment Insurance	11,000.00	11,000.00	7,924.67	3,075.33
Defined Contribution Retirement Plan	2,000.00	2,000.00		2,000.00
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>	<u>474,921.00</u>	<u>474,921.00</u>	<u>452,107.77</u>	<u>22,813.23</u>

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 3,398,767.00	\$ 3,398,767.00	\$ 3,007,086.81	\$ 391,680.19
OPERATIONS EXCLUDED FROM "CAPS"				
Uniform Constnuction Code Appropriations Offset by Increased Fees:				
Salaries and Wages	185,000.00	185,000.00	156,901.32	28,098.68
Other Expenses	122,567.00	122,567.00	93,482.02	29,084.98
Interlocal Municipal Service Agreements:				
Plumsted Board of Education - Courtesy Busing				
Other Expenses	77,406.00	77,406.00	77,406.00	
New Hanover - Uniform Construction Code				
Salaries and Wages	13,000.00	13,000.00	13,000.00	
Other Expenses	4,500.00	4,500.00	229.88	4,270.12
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	402,473.00	402,473.00	341,019.22	61,453.78
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:				
Alcohol Education and Rehabilitation Fund		1,817.59	1,817.59	
Body Armor Replacement Fund	1,359.36	1,359.36	1,359.36	
Body-Worn Camera Grant		38,722.00	38,722.00	
Clean Communities Program		18,484.18	18,484.18	
Drunk Driving Enforcement Fund	1,656.39	1,656.39	1,656.39	
NJ Department of Transportation Municipal Aid:				
Hopkins Road	292,700.00	292,700.00	292,700.00	
Recycling Tonnage Grant		2,513.22	2,513.22	
Safe and Secure Communities Program:				
State Share	16,200.00	16,200.00	16,200.00	
Local Share	4,050.00	4,050.00	4,050.00	

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>				
(CONTINUED):				
Senior Center	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$
Supplemental Fire Services Program	2,140.00	2,140.00	2,140.00	
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	<u>328,105.75</u>	<u>389,642.74</u>	<u>389,642.74</u>	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>730,578.75</u>	<u>792,115.74</u>	<u>730,661.96</u>	<u>61,453.78</u>
Detail:				
Salaries and Wages	198,000.00	198,000.00	169,901.32	28,098.68
Other Expenses	532,578.75	594,115.74	560,760.64	33,355.10
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>	
Capital Improvement Fund	60,000.00	60,000.00	60,000.00	
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>	

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

TOWNSHIP OF PLUMSTED

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>				
Payment of Bond Anticipation Notes and Capital Notes	\$ 184,277.00	\$ 184,277.00	\$ 184,277.00	\$
Interest on Notes	10,387.00	10,387.00	10,387.00	
Downtown Business Zone Loan	34,484.22	34,484.22	34,484.22	
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>229,148.22</u>	<u>229,148.22</u>	<u>229,148.22</u>	
<u>DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"</u>				
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	2,000.00	2,000.00	2,000.00	
<u>TOTAL DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>	
<u>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</u>	<u>1,021,726.97</u>	<u>1,083,263.96</u>	<u>1,021,810.18</u>	<u>61,453.78</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	<u>4,420,493.97</u>	<u>4,482,030.96</u>	<u>4,028,896.99</u>	<u>453,133.97</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>59,439.83</u>	<u>59,439.83</u>	<u>59,439.83</u>	
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 4,479,933.80</u>	<u>\$ 4,541,470.79</u>	<u>\$ 4,088,336.82</u>	<u>\$ 453,133.97</u>
REF.	A-2		A-1	A-A-1
Appropriation by 40A:4-87	\$	\$ 61,536.99		
Budget		<u>4,479,933.80</u>		
		<u>\$ 4,541,470.79</u>		
Deferred Charges - 40A:4-55			2,000.00	
Grants Appropriated			389,642.74	
Reserve for Encumbrances			132,471.22	
Reserve for Uncollected Taxes			59,439.83	
Disbursements			<u>3,504,783.03</u>	
			<u>\$ 4,088,336.82</u>	

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

"B"

TOWNSHIP OF PLUMSTED

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ <u>4,199.56</u>	\$ <u>6,064.51</u>
		<u>4,199.56</u>	<u>6,064.51</u>
Trust - Other Funds:			
Cash	B-1	<u>2,959,939.37</u>	<u>2,209,477.72</u>
		<u>2,959,939.37</u>	<u>2,209,477.72</u>
		\$ <u><u>2,964,138.93</u></u>	\$ <u><u>2,215,542.23</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Trust Fund:			
Due State Department of Health	B-2	\$ 4.20	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	3,952.36	5,280.01
Reserve for Encumbrances	B-5	<u>243.00</u>	<u>784.50</u>
		<u>4,199.56</u>	<u>6,064.51</u>
Trust - Other Funds:			
Interfund - Current Fund	B-4		0.03
Reserve for Encumbrances	B-5	81,214.25	83,393.82
Miscellaneous Reserves	B-6	<u>2,878,725.12</u>	<u>2,126,083.87</u>
		<u>2,959,939.37</u>	<u>2,209,477.72</u>
		\$ <u><u>2,964,138.93</u></u>	\$ <u><u>2,215,542.23</u></u>

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

"C"

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
<u>A S S E T S</u>			
Cash	C-2	\$ 3,105,500.93	\$ 1,699,935.18
Deferred Charges to Future Taxation:			
Funded	C-4	22,087,430.68	263,011.72
Unfunded	C-5	<u>15,555,658.66</u>	<u>38,345,700.66</u>
		<u>\$ 40,748,590.27</u>	<u>\$ 40,308,647.56</u>

LIABILITIES, RESERVES AND FUND BALANCE

Interfund - Current Fund	C-2	\$ 31.10	\$
Bond Anticipation Notes Payable	C-6	1,583,273.00	1,281,236.00
Downtown Business Improvement Zone Loan Payable	C-7	172,421.00	206,905.22
NJEIT Interim Construction Note Payable	C-8	5,340,354.00	18,693,212.00
NJ I-Bank Loan Payable	C-9	21,864,024.85	
Green Trust Loan Payable	C-10	50,984.83	56,106.50
Improvement Authorizations:			
Funded	C-11	13,024.65	14,645.60
Unfunded	C-11	8,018,876.81	9,110,793.64
Capital Improvement Fund	C-12	82,731.39	22,731.39
Reserve for Encumbrances	C-13	975,673.38	9,681,435.30
Reserve for Retirement of Debt	C-3	2,646,613.35	1,241,000.00
Fund Balance	C-1	<u>581.91</u>	<u>581.91</u>
		<u>\$ 40,748,590.27</u>	<u>\$ 40,308,647.56</u>

There were bonds and notes authorized but not issued on December 31, 2021 of \$8,632,031.66 (Schedule C-14).

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

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2021 and 2020	C	\$ <u>581.91</u>

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

"D"

TOWNSHIP OF PLUMSTED
GENERAL FIXED ASSETS ACCOUNT GROUP
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
Fixed Assets:		
Land	\$ 1,595,975.22	\$ 1,595,975.22
Improvements	4,026,443.55	4,026,443.55
Equipment and Vehicles	1,161,468.64	1,097,199.37
Construction in Progress	<u>22,592,079.00</u>	<u>18,693,212.00</u>
<u>Total Fixed Assets</u>	<u>\$ 29,375,966.41</u>	<u>\$ 25,412,830.14</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 29,375,966.41</u>	<u>\$ 25,412,830.14</u>

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

**TOWNSHIP OF PLUMSTED
COUNTY OF OCEAN, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Plumsted, County of Ocean, New Jersey, (the "Township"), is an instrumentality of the State of New Jersey established to function as a municipality. The Township Committee consists of five (5) elected officials and is responsible for fiscal control of the Township.

Except as noted below, the financial statements of the Township include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of any libraries, first aid organizations, volunteer fire companies or the local school district.

GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80. The financial statements of the following units are reported separately:

Plumsted Township Municipal Utilities Authority
Plumsted Township Redevelopment Agency (Currently Inactive)

B. Description of Funds

The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles, (GAAP).

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Division. 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 financial transactions and accounts of the Township are organized on the basis of funds and account groups which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific governmental activity. As required by the Division, the Township accounts for its financial transactions through the following individual funds and account groups:

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

Animal Control Trust Fund - dog license receipts and disbursements.

Trust Other Fund - receipts, custodianship and disbursements 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 capital facilities, other than those acquired through the Current Fund.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues (Continued)

and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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 and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended 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, notes and loans are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Encumbrances - contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, over-expenditures and emergency appropriations. Over-expenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Over-expenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of over-expenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Deferred Charges (Continued)

appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2021 is set forth in Note 9.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

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. GAAP does not require the establishment of an offsetting reserve. The status of interfunds is set forth in Note 18.

Inventories of Supplies - the costs 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. GAAP requires the cost of inventories to be reported on the balance sheet until utilized and expended.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

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.

General fixed assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

During 2021 the following changes occurred in the fixed assets of the Township:

	Balance Dec. 31, 2020	Net Change	Balance Dec. 31, 2021
General Fixed Assets Account Group:			
Land	\$ 1,595,975.22	\$	\$ 1,595,975.22
Improvements	4,026,443.55		4,026,443.55
Equipment and Vehicles	1,097,199.37	64,269.27	1,161,468.64
Construction in Progress	18,693,212.00	3,898,867.00	22,592,079.00
	<u>\$ 25,412,830.14</u>	<u>\$ 3,963,136.27</u>	<u>\$ 29,375,966.41</u>

General fixed assets, as shown in Exhibit D, are presented as recorded in the Township records with offsetting reserves on the balance sheet of the Township's General Fixed Assets Account Group.

Accounting and Financial Reporting for Pensions - The GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions Administered by State and Local Government Employers*. This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirement of Statement No. 27, *Accounting for Pensions*

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

by State and Local Governmental Employers, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. This statement is effective for periods beginning after June 15, 2014.

GASB approved Statement 71, *Pension Transition for Contribution made Subsequent to the Measurement Date* - an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

Accounting and Financial Reporting for Pensions and Other Post-Employments (OPEB)

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68 and GASB 75. As of the date of this report the information for the period ended June 30, 2020 is disclosed.

D. Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Township presents the financial statements as reflected in the "Requirements of Audit and Accounting

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statements

Revision of 1987" as prescribed by the Division and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions

which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act, (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank or a savings bank which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation, ("FDIC"). The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township had the following cash and cash and cash equivalents at December 31, 2021

Fund	Cash		Less	Cash
	On Hand	On Deposit	Checks Outstanding	Book Balance
Current	\$ 10,018.85	\$ 3,773,669.66	\$ 55,252.70	\$ 3,728,435.81
Animal Control Trust		6,552.96	2,353.40	4,199.56
Trust Other	161.53	2,980,270.30	20,492.46	2,959,939.37
General Capital		3,301,239.25	195,738.32	3,105,500.93
	<u>\$ 10,180.38</u>	<u>\$ 10,061,732.17</u>	<u>\$ 273,836.88</u>	<u>\$ 9,798,075.67</u>

At year-end, the carrying amount of the Township's deposits was \$10,061,732.17. Of this amount \$250,000.00 was covered by FDIC

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Credit Risk Categories (Continued)

insurance, \$971,109.10 was guaranteed by the United States Government and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$7,195,876.16. An amount of \$1,644,746.91 was on deposit in the name of various developers for escrow and is insured by FDIC insurance or uninsured depending upon the deposits of the individual developer in the escrow depository.

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 does not have a specific policy for custodial credit risk other than those policies that adhere to the requirements of statute.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured		
FDIC	\$ 250,000.00	\$ 250,000.00
UNITED STATES GOVERNMENT	971,109.10	
GUDPA	7,195,876.16	5,674,616.62
Escrow Deposits	<u>1,644,746.91</u>	<u>1,223,854.53</u>
	<u>\$ 10,061,732.17</u>	<u>\$ 7,148,471.15</u>

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted Investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- c. the maturity of the agreement is not more than 30 days;
- d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
- e. a master repurchase agreement providing for the custody and security of collateral is executed.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Township is general not exposed to credit risks, custodial credit risk, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its' deposits and Investments.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Township had no investments in qualified securities at year-end.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2021</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 29,011,057.68	\$ 20,237,459.72	\$ 10,803,837.70
Total Issued	<u>29,011,057.68</u>	<u>20,237,459.72</u>	<u>10,803,837.70</u>
Less:			
Funds Held to Pay			
Bonds, Notes and Loans	16,665,523.96	10,259,807.67	34,448,393.60
Total Deductions	<u>16,665,523.96</u>	<u>10,259,807.67</u>	<u>34,448,393.60</u>
Net Debt Issued	<u>12,345,533.72</u>	<u>9,977,652.05</u>	<u>(23,644,555.90)</u>
Authorized But Not Issued			
Bonds, Notes and Loans	8,632,031.66	18,371,252.66	50,632,702.50
Net Bonds Notes and Loans Issued and Authorized but Not issued	<u>\$ 20,977,565.38</u>	<u>\$ 28,348,904.71</u>	<u>\$ 26,988,146.60</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION-
ANNUAL DEBT STATEMENT

Includes Bonds authorized by another Public Body to be guaranteed by the municipality in the amount of \$34,000,000 for the New Egypt Redevelopment Project.

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 2.796%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt \$	2,955,000.00	\$ 2,955,000.00	\$
General Debt	<u>42,643,089.34</u>	<u>16,665,523.96</u>	<u>25,977,565.38</u>
	<u>\$ 45,598,089.34</u>	<u>\$ 19,620,523.96</u>	<u>\$ 25,977,565.38</u>

Net debt \$25,977,565.38 divided by equalized valuation basis per N.J.S.40A:2-2 as amended \$929,014,364.67 equals 2.796%.

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31 2020	\$929,014,364.67
3-1/2% of Equalized Valuation Basis	32,515,502.76
Net Debt	<u>25,977,565.38</u>
Remaining Borrowing Power	<u>\$6,537,937.38</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

LONG-TERM DEBT OBLIGATIONS

At December 31, 2021 the Township's long-term debt outstanding was as follows:

Green Trust Loan Program

The Township has a low interest loan (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The \$100,000 Loan for the Recreation Complex Improvement was finalized on or about December 20, 2010. The Recreation Complex

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Green Trust Loan Program (Continued)

Improvement Loan must be repaid in semi-annual installments over nineteen and one half years. The balance as of December 31, 2021 was \$50,985 and loan payments are due through 2030.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 5,225	\$ 994
2023	5,330	889
2024	5,437	782
2025	5,546	672
2026	5,658	561
2027-30	<u>23,789</u>	<u>1,082</u>
	\$ <u>50,985</u>	\$ <u>4,980</u>

Downtown Business Improvement Zone Loan Program

On December 15, 2011, the Township closed on a 0% Downtown Business Improvement Zone Loan in the Amount of \$528,294.76 to fund Downtown New Egypt Improvements. Payments are due annually on December 15 of each year until the loan is paid in full.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>
2022	\$ 34,484
2023	34,484
2024	34,484
2025	34,484
2026	<u>34,484</u>
	\$ <u>172,421</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED)

NJ I-Bank Loan

On June 9, 2021, the Township permanently financed a portion of its Interim Construction Note in the amount of \$22,082,853.00. Payments made during the period under audit amounted to \$218,828.00. The balance as of December 31, 2021 was \$21,864,025.00. Loan payments are due semi-annually on February 1st and August 1st through the year 2050.

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2022	\$ 573,242	\$ 358,800
2023	583,242	346,550
2024	598,242	333,800
2025	613,242	320,300
2026	623,242	306,050
2027-31	3,361,211	1,296,100
2032-36	3,696,211	962,450
2037-41	3,981,211	672,750
2042-46	4,241,211	414,500
2047-50	<u>3,592,971</u>	<u>129,713</u>
	<u>\$ 21,864,025</u>	<u>\$ 5,141,013</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS

Bond Anticipation Notes

On December 31, 2021 the Township's outstanding Bond Anticipation Notes were as follows:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
08-11	Various Capital Improvements	\$ 111,012	Various
02-02	Acquisition and Development of Lands for Open Space	17,538	0.371%
15-06	Various Capital Improvements and Other Related Expenses	150,000	0.371%
17-15	Various Capital Improvements and Other Related Expenses	68,315	0.371%
18-09	Aid to New Egypt Redevelop- ment Project	21,685	0.371%
17-21	Aid to New Egypt Redevelop- ment Project	922,223	0.570%
20-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	<u>292,500</u>	0.373%
		<u>\$ 1,583,273</u>	

NJEIT Interim Construction Notes

On October 28, 2015, the Township signed a loan agreement with the New Jersey Environmental Infrastructure Trust, (NJEIT) in order to provide funding for Ordinance #15-06. In 2017, the loan agreement was modified to provide funding for Ordinance #17-21. The NJEIT assigned the project the following project number: S-340607-03. Funding in the amount of \$22,592,079 was approved by the NJEIT. During the interim construction phase of the loan process, \$72,347 was drawn down in 2015, \$356,880 was drawn down in 2016, \$638,380 was drawn down in 2017, \$67,202 was drawn down in 2018, \$8,547,390 was drawn down in 2019, \$9,011,013 was drawn down in 2020 and \$3,898,867 was drawn down in 2021. As of the date of the audit, no funds remained available for draw down under the initial funding approved by the NJEIT and this interim financing has gone to permanent financing as detailed above

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS (CONTINUED)

NJEIT Interim Construction Notes

under Long-Term Debt Obligations/NJ I-Bank Loan. Additional funding in the amount of \$6,265,137 was approved by the NJEIT under the following project number: S340607-03R. Funds drawn against this interim construction note during the period under audit totaled \$5,340,354. At December 31, 2021, a balance of \$915,783 remained available for draw down. To date, no loan amortization schedule has been provided for this additional funding. When the loan becomes eligible for permanent financing, the amortization scheduled will be established.

Bonds and Notes Authorized but Not Issued

At December 31, 2021, the Township had bonds and notes authorized but not issued in the amount of \$8,632,031.66. Not included are Bonds authorized by another Public Body to be guaranteed by the municipality in the amount of \$34,000,000 for the New Egypt Redevelopment Project.

NOTE 4: COMPENSATED ABSENCES

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to compensated absences. The Township's policy with respect to compensated absences is as follows:

Vacation Leave

Any unused vacation leave may be carried forward into the next succeeding year only. In the event an employee is unable to utilize during the first six (6) months of the succeeding year any unused vacation time, the Township Committee may consider approval by resolution, an employee's request with Department Head approval, to utilize the aforementioned unused vacation time during the last six (6) months of the succeeding year. Unused vacation time from the previous year shall not be utilized so that a vacation will exceed the total for the previous year.

Sick Leave

Sick leave will be recorded in thirty (30) minute increments. Sick leave can be accumulated without limit during each employee's length of service for a period of up to thirty (30) days. In the first calendar year of employment, full-time permanent employees shall be entitled to two thirds (2/3) a day of sick leave for each month or fractional part thereof calculated from date of employment. Thereafter, full-time permanent employees shall be entitled to either eight (8) days of sick leave each year which shall be credited to their account at the

NOTE 4: COMPENSATED ABSENCES (CONTINUED)

beginning of the year.

Any amount of sick leave used which exceeds the amount accrued to an employee's account at time of separation from the Township will be deducted from the final salary payment. Upon termination for any reason accumulated sick time will be forfeited. Temporary and seasonal employees shall not be eligible for sick leave with pay.

If an employee is unable to report for work due to illness, this fact shall be reported to the department not later than one (1) hour after the start of the normal work day. An employee on sick leave and receiving their normal compensation who, in addition, qualifies for payments under workers' compensation weekly benefits shall, during the period they are receiving such weekly benefits, be entitled to only that portion of their regular salary which with the workers' compensation payments, equals their normal salary.

Effective October 29, 2018, part-time employees became eligible for paid sick leave at the rate of one (1) hour of sick leave per thirty (30) hours worked.

The amount of sick leave accumulated may differ between contractual and non-contractual employees.

Compensated absences at December 31, 2021 approximate \$55,960 per the 2022 Municipal User Friendly Budget. Funds reserved at December 31, 2021 amounted to \$33,264.

NOTE 5: FUND BALANCES APPROPRIATED

The Current Fund balance at December 31, 2021, which was appropriated and included as anticipated revenue for the year ending December 31, 2022, was as follows:

Current Fund:

\$715,000.00

NOTE 6: TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as a cash liability in the financial statements are as follows:

	Balance December 31, 2021	Balance December 31, 2020
Prepaid Taxes	<u>\$273,429.75</u>	<u>\$201,924.11</u>

NOTE 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, Fire District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th. Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Comparison of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ <u>2.673</u>	\$ <u>2.611</u>	\$ <u>2.557</u>
Appointment of Tax Rate:			
Municipal	.309	.284	.267
Municipal Open Space	.020	.020	.020
County	.451	.468	.462
Local School	1.646	1.608	1.596
Fire District	.247	.231	.212

NOTE 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)

Net Valuation Taxable:

Year 2021	\$ <u>782,783,300.00</u>		
Year 2020		\$ <u>793,411,800.00</u>	
Year 2019			\$ <u>784,583,100.00</u>

Comparison of Tax Levies and
Collection Currently:

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2021	\$20,935,159.56	\$20,879,407.61	99.73%
2020	20,548,618.45	20,491,893.58	99.72%
2019	20,280,313.57	20,198,764.81	99.59%

Delinquent Taxes and Tax Title Liens

<u>DECEMBER 31, 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>
2021	\$79,311.10	\$ 97.86	\$79,408.96	0.38%
2020	73,714.13	7,612.94	81,327.07	0.40%
2019	71,925.51	15,714.97	87,640.48	0.31%

NOTE 8: DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 9: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 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 of New Jersey 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 or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 9: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP. Employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will be forfeited. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was greater than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2020, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires 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. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2020, the State contributed an amount less than the actuarially determined amount. During 2020, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Township's share of pension, which is based upon the annual billings received from the state, amounted to \$284,050 for 2020, \$213,014.00 for 2019

NOTE 9: PENSION PLANS (CONTINUED)

and \$216,127 for 2018. Certain Township employees are also covered by the Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$1,265,491.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the Township's proportion was 0.0077602298 percent, which was an increase of 0.0002938379 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$54,490.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2020 billing was \$72,626.00.

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 23,043.00	\$ 4,475.00
Changes of assumptions	41,054.00	529,873.00
Net difference between projected and actual earnings on pension plan investments	43,255.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>122,166.00</u>	<u>5,372.00</u>
	\$ <u>229,518.00</u>	\$ <u>539,720.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	(\$135,437.20)
2022	(121,415.20)
2023	(59,375.20)
2024	(10,097.20)
2025	<u>16,122.80</u>
	<u>(\$310,202.00)</u>

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>June 30, 2020</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
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 disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. 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 based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

to all projected benefit payments to determine the total pension liability.

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

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$1,593,041.00	\$1,265,491.00	\$987,555.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$2,683,661.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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.

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

At June 30, 2020, the Township's proportion was 0.0207692493 percent, which was a decrease of 0.0001363823 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$176,603.00. The pension expense recognized in the Township's financial statements based on the April 1, 2020 billing was \$211,170.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 27,056.00	\$ 9,631.00
Changes of assumptions	6,753.00	719,473.00
Net difference between projected and actual earnings on pension plan investments	157,356.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	696,726.00	360,876.00
	<u>\$ 887,891.00</u>	<u>\$ 1,089,980.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		Amount
June 30		
2021	\$	(183,868.00)
2022		(102,250.00)
2023		(1,802.00)
2024		41,115.00
2025		44,716.00
	\$	<u>(202,089.00)</u>

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

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

	<u>June 30, 2020</u>
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	
Through all future years	3.25-15.25%
	Based on years of Service
Investment Rate of Return	7.00%

Pre-retirement 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, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the PFRS pension liability	\$3,568,717.00	\$2,683,661.00	\$1,948,555.00

NOTE 9: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

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

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$416,492.00 and \$403,975.00, respectively.

At June 30, 2020, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$2,683,661.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>416,492.00</u>
	<u>\$3,100,153.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 10: SCHOOL TAXES

Local School District Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

Local School District Tax		
Balance December 31		
	2021	2020
Balance of Tax	\$ 6,441,270	\$ 6,378,577
Deferred	<u>5,787,200</u>	<u>5,787,200</u>
Tax Payable	\$ <u>654,071</u>	\$ <u>591,377</u>

NOTE 11: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Single Employer Plan

Plan Description

The Township's defined benefit OPEB plan, Township of Plumsted Health Benefits Plan (the Plan), provides OPEB for all employees of the Township and their eligible dependents in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical and prescription benefits provided that they have met the eligibility requirements contained in the Township's various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	-0-
Inactive employees entitled to but not currently receiving benefits payments	1
Active Employees	16
	<hr/>
	17
	<hr/>

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Contributions

The contribution requirements of the Township and Plan members are established and may be amended by the Township's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

Total OPEB Liability

The Township's total OPEB liability of \$2,739,408.00 was measured as of December 31, 2021 and was determined by actuarial assumption consistent with an actuarial valuation of the State of New Jersey Health Benefits Plan as of July 1 2020.

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.5%

Salary Increases 2.5%

Medical trend rates:

- Medical: 5.5% in 2021, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026

- Drug: 7.0% in 2021, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026

- Medicare Advantage: 4.5% per annum

- Dental and Vision: 3.5% per annum

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Actuarial Assumptions (Continued)

Mortality

- RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement

Discount Rate

The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale). The plan is currently unfunded. We used the "Bond Buyer 20 Index" to establish a discount rate of 2.06% as of December 31, 2021 and 2.12% as of December 31, 2020.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/20	\$2,892,649
Changes for the year:	
Service cost	204,780
Interest Cost	65,665
Changes in assumptions or	(423,686)
Net change in OPEB Liability	<u>(153,241)</u>
Balance at 12/31/21	<u>\$2,739,408</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12 percent in 2020 to 2.06 percent in 2020.

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB 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 discount rate:

	December 31, 2021		
	1.00% <u>Decrease (1.06%)</u>	At Discount <u>Rate (2.06)</u>	1.00% <u>Increase (3.06%)</u>
Net OPEB Liability	\$2,584,908	\$2,739,408	\$2,935,257

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2021		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% Increase
Net OPEB Liability	\$2,584,908	\$2,739,408	\$2,935,257

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

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

For the year ended December 31, 2021 the actuarially determined OPEB expense reflected in the Plan report was \$244,923.00. The OPEB expense recognized in the Township's financial statement based on actual billing was \$0.00.

At December 31, 2021, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ 14,308.00	\$ 397,206.00
	<u>\$ 14,308.00</u>	<u>\$ 397,206.00</u>

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2022	(\$25,522)
2023	(\$25,522)
2024	(\$25,522)
2025	(\$25,522)
2026	(\$25,522)
Thereafter	<u>(\$255,288)</u>
	<u>(\$382,898)</u>

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer

NOTE 11: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2020 and 2019, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$2,594,933.00.00 and \$2,594,933.00.00 respectively.

At June 30, 2020, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Township's proportionate share of the Net OPEB Liability	-0-
State of New Jersey's proportionate share of Net OPEB Liability associated with the Township	<u>2,594,933</u>
	<u><u>\$2,594,933</u></u>

Actuarial Assumptions and Other Inputs

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

	<u>2020</u>	<u>2019</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):		
Rate for all future years	3.25% to 15.25%	3.25% to 15.25%

NOTE 11: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

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

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

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

NOTE 11: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 12: REDEVELOPERS AGREEMENT

The Township has signed an agreement with Lennar Plumsted, LLC as the redeveloper of Block 40, Lots 10 and 18, for a minimum of 400 and a maximum of 500 units, in an Active Adult Community. Lennar shall pay to the Township, a fee of \$19,500.00 for each market unit. As of December 31, 2021, Lennar has paid the Township \$500,000.00 (as per the Redevelopment Agreement) for final subdivision/site plan approval and commencement of construction. In addition, the Township received payments of \$2,622,750.00 which represents the per unit fees due on the market units. Lennar has also agreed to prepay any annual debt service shortfall not covered by these prepayments.

NOTE 13: BONDS AUTHORIZED BY ANOTHER PUBLIC BODY TO BE GUARANTEED BY THE MUNICIPALITY

Pursuant to Ordinance 2019-10, adopted September 4, 2019, the Township authorized the guaranty of revenue bonds to be issued in connection with the New Egypt Redevelopment Project in an amount not to exceed \$ 34,000,000.00. The guaranty is not reflected as a part of the Township's gross debt at year-end. Consequently, there is no impact on the Township's net debt.

NOTE 14: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

NOTE 14: RISK MANAGEMENT (continued)

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 17: CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, cost previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2021, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds, notes or other obligations.

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 31.10	\$ 748,316.30
Grant Fund	748,316.30	
Capital Fund		31.10
	<u>\$ 748,347.40</u>	<u>\$ 748,347.40</u>

The purpose of these interfunds is short-term borrowing.

NOTE 19: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through the audit date which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no items that would require disclosure in the financial statements.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2020	A		\$ 2,611,136.71
Increased by Receipts:			
Due New Hanover - UCC	A	\$ 10,658.00	
Due New Hanover - DCA	A	1,360.00	
Non-Budget Revenues	A-2	304,388.71	
Property Taxes Receivable	A-5	20,625,025.52	
Tax Title Liens Receivable	A-6	24,410.66	
Revenue Accounts Receivable	A-8	1,285,417.03	
Tax Overpayments	A-11	19,079.26	
Prepaid Taxes	A-12	273,429.75	
Due From/To State of New Jersey	A-13	75,600.00	
Due Plumsted MUA	A-16	2,000.93	
Interfunds	A-17	0.03	
Miscellaneous Reserves	A-19	2,098,627.26	
Grants Receivable	A-20	393,431.65	
Grants - Unappropriated	A-20	448,557.09	
			<u>25,561,985.89</u>
			28,173,122.60
Decreased by Disbursements:			
Change Fund	A	\$ 100.00	
Accounts Payable	A	404.28	
Due New Hanover - UCC	A	12,041.00	
Due New Hanover - DCA	A	1,312.00	
2020 Budget Appropriations	A-3	3,504,783.03	
Municipal Open Space Tax	A:A-5	156,909.76	
Special District Taxes	A-5	1,927,855.38	
Appropriation Reserves	A-10	211,904.80	
Tax Overpayments	A-11	20,409.02	
Due From/To State of New Jersey	A-13	23,161.00	
County Taxes Payable	A-14	3,528,645.46	
Local School District Tax Payable	A-15	12,819,857.00	
Due Plumsted MUA	A-16	2,516.97	
Interfunds	A-17	31.10	
Miscellaneous Reserves	A-19	2,092,899.11	
Grants - Appropriated	A-20	142,606.88	
			<u>24,445,436.79</u>
Balance, December 31, 2021	A		\$ <u>3,727,685.81</u>

"A-5"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2020	2021 LEVY	CASH COLLECTIONS 2021	2020	DUE FROM STATE OF NEW JERSEY CH. 20, P.L. 1971	OVER- PAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2021
2020	\$ 7,612.94	\$	292.02	\$	\$	393.09	\$ 6,927.83	\$	\$
2021	7,612.94		292.02			393.09	6,927.83		
		20,935,159.56	20,624,733.50	201,924.11	52,750.00		34,547.93	21,106.16	97.86
	\$ 7,612.94	\$ 20,935,159.56	\$ 20,625,025.52	\$ 201,924.11	\$ 52,750.00	\$ 393.09	\$ 41,475.76	\$ 21,106.16	\$ 97.86
REF. A		A-5	A-4	A-2; A-12	A-2; A-13	A-2; A-11		A-6	A

Receipts from Delinquent Taxes A-2
Receipts from Current Taxes A-2

ANALYSIS OF 2021 PROPERTY TAX LEVY

REF.

TAX YIELD	
General Purpose Tax	\$ 20,923,787.01
Added Taxes (54:4-63.1 et seq.)	18,791.00
Reductions Due to Tax Appeals	(7,418.45)
	\$ 20,935,159.56
A-5	

TAX LEVY
Local School District Tax (Abstract)

County Taxes:	
General County Tax (Abstract)	\$ 2,948,875.39
County Library Tax (Abstract)	321,689.40
County Health Tax (Abstract)	147,991.30
County Open Space Tax Preservation (Abstract)	106,596.06
Due County for Added Taxes (54:4-63.1 et seq.)	3,493.31
	\$ 3,528,645.46
A-14	

Municipal Open Space Tax
Special District Taxes
Local Tax for Municipal Purposes (Abstract)
Add: Additional Tax Levied

	\$ 156,748.23
	1,927,855.38
	2,419,388.00
	19,971.49
	\$ 4,523,963.10
A-4	
A-4	
A-2	
A-5	

"A-6"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF MUNICIPAL LIENS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 73,714.13
Increased by:		
Transfers From Taxes Receivable	A-5	\$ 21,106.16
Interest and Costs Accrued by Sale		893.11
Prior Period Adjustment for Assigned Lien		<u>8,008.36</u>
		<u>30,007.63</u>
		103,721.76
Decreased by:		
Receipts	A-2:A-4	<u>24,410.66</u>
Balance, December 31, 2021	A	\$ <u>79,311.10</u>

"A-7"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>REF.</u>	
Balance, December 31, 2020 and December 31, 2021	A	\$ <u>196,900.00</u>

"A-8"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>ACCRUED</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2021</u>
Licenses:					
Alcoholic Beverage	A-2	\$	\$ 10,300.00	\$ 10,300.00	\$
Other	A-2		7,598.00	7,598.00	
Fees and Permits	A-2		107,834.00	107,834.00	
Fines and Costs					
Municipal Court	A-2	3,367.12	24,706.49	27,008.23	1,065.38
Interest and Costs on Taxes	A-2		14,473.77	14,473.77	
Interest on Investments and Deposits	A-2		3,917.98	3,917.98	
Cable Television Franchise Fees	A-2		25,340.51	25,340.51	
Police Towing Fees	A-2		3,405.00	3,405.00	
Cell Tower Revenue	A-2		47,976.54	47,976.54	
Off Duty Municipal Police	A-2		25,000.00	25,000.00	
Battery Storage Facility	A-2		26,250.00	26,250.00	
Energy Receipts Tax	A-2		447,223.00	447,223.00	
Garden State Trust Fund	A-2		7,852.00	7,852.00	
Uniform Construction Code Fees:					
Rental/Smoke Detection Inspection	A-2		15,650.00	15,650.00	
Additional Uniform Construction Code Fees	A-2		498,088.00	498,088.00	
Shared Service Agreements:					
New Hanover - Uniform Construction Code:					
Salaries and Wages	A-2		13,000.00	13,000.00	
Other Expenses	A-2		4,500.00	4,500.00	
		<u>\$ 3,367.12</u>	<u>\$ 1,283,115.29</u>	<u>\$ 1,285,417.03</u>	<u>\$ 1,065.38</u>
	<u>REF.</u>	<u>A</u>		<u>A-4</u>	<u>A</u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY 40A:4-53

<u>DATE AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET AMOUNT AUTHORIZED</u>	<u>1/5 OF NET AMOUNT AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>REDUCED IN 2021</u>	<u>BALANCE DECEMBER 31, 2021</u>
06/01/16	Preparation of Master Plan	\$ 10,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$
<u>REF.</u>				A	A-3	A

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

SALARIES AND WAGES

Business Administrator/Community Development Coordinator
Municipal Clerk
Assessment Search Officer
Financial Administration
Assessment of Taxes
Collection of Taxes
Tax Search Officer
Downtown Economic Development
Land Use Board
Zoning Officer
Rental Inspections
Code Enforcement Officer
Health Benefit Waiver
Police
Emergency Management Services
School Crossing Guards
Municipal Court
Recycling
Public Buildings and Grounds
Public Employee Awards
State Uniform Construction Code Official O/S Caps
TOTAL SALARIES AND WAGES

BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
\$ 8,107.27	\$ 8,107.27	\$	\$ 8,107.27
10,631.18	10,631.18		10,631.18
0.98	0.98		0.98
8,012.15	8,012.15		8,012.15
26.16	26.16		26.16
2,521.40	2,521.40		2,521.40
9.96	9.96		9.96
16,422.34	16,422.34		16,422.34
705.16	705.16		705.16
129.84	129.84		129.84
5,925.00	5,925.00		5,925.00
15.66	15.66		15.66
17,500.00	17,500.00	17,500.00	
84,966.12	84,966.12	207.72	
307.75	307.75		
100.00	100.00		
7,619.71	7,619.71		
2,000.00	2,000.00		
8,291.87	8,291.87		
1,000.00	1,000.00		
25,202.63	25,202.63		
\$ 199,495.18	\$ 199,495.18	\$ 17,707.72	\$ 181,787.46

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

OTHER EXPENSES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Mayor and Township Committee	\$ 2,099.96	\$ 2,099.96	\$	2,099.96
Business Administrator/Community Development Coordinator	3,647.50	3,647.50	356.11	3,291.39
Municipal Clerk	17,217.02	17,217.02	2,181.27	15,035.75
Financial Administration	5,396.56	5,396.56	1,433.09	3,963.47
Audit Services	4,633.00	4,633.00		4,633.00
Assessment of Taxes	3,526.36	3,526.36	41.30	3,485.06
Collection of Taxes	5,924.68	5,924.68	298.00	5,626.68
Legal Services and Costs	21,207.96	21,207.96	3,424.22	17,783.74
Engineering Services and Costs	3,379.50	3,379.50	2,407.50	972.00
Downtown Economic Development	298.21	298.21	39.00	259.21
Senior Outreach Services	59.92	59.92	46.77	13.15
Land Use Board	3,190.32	3,190.32	313.04	2,877.28
Employee Group Health Insurance	65,770.78	65,770.78		65,770.78
Vision Program	2,295.04	2,295.04	220.00	2,075.04
Dental Program	3,425.85	3,425.85		3,425.85
Other Insurance	5,000.00	5,000.00		5,000.00
Police	22,850.63	22,850.63	7,616.94	15,233.69
Emergency Management Services	1,932.47	1,932.47		1,932.47
Municipal Court	2,149.44	2,149.44	761.00	1,388.44
Public Defender	1,950.00	1,950.00		1,950.00
Road Repairs and Maintenance	30,991.57	30,991.57		30,991.57
Snow Removal	69,963.36	69,963.36	69,963.36	
Recycling	150.00	150.00	150.00	
Sanitary Landfill	200.00	200.00		200.00
Public Buildings and Grounds	29,144.34	29,144.34	5,132.60	24,011.74
Demolition	3,000.00	3,000.00		3,000.00
Board of Health	4,000.00	4,000.00	2,000.00	2,000.00

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Soil/Water Testing	\$ 450.00	\$ 450.00	\$	450.00
Environmental Committee	500.00	500.00		500.00
Administration of Public Assistance:				
Relocation Costs	350.00	350.00		350.00
Federally Mandated Hepatitis Immunization	490.00	490.00		490.00
Recreation	7,040.00	7,040.00	7,000.00	40.00
Celebration of Public Event, Anniversary or Holiday	2,963.00	2,963.00	495.65	2,467.35
Council for the Arts	119.82	119.82	75.91	43.91
Public Employee Awards	850.00	850.00		850.00
Utilities:				
Electricity	8,778.67	8,778.67	1,816.62	6,962.05
Street Lighting	4,207.22	4,207.22	4,125.69	81.53
Telephone	3,811.03	3,811.03	731.56	3,079.47
Water	1,542.35	1,542.35	77.38	1,464.97
Natural Gas	6,250.08	6,250.08		6,250.08
Heating Oil	5,379.59	5,379.59	605.82	4,773.77
Gasoline	40,811.18	40,811.18		40,811.18
Contribution to Social Security System (O.A.S.I.)	10,915.32	10,915.32		10,915.32
State Unemployment Insurance	2,378.75	2,378.75		2,378.75
Defined Contribution Retirement Program	4,000.00	4,000.00		4,000.00
State Uniform Construction Code Official O/S	9,051.25	9,051.25	4,884.25	4,167.00
Plumsted Board of Education - Courtesy Busing	78,000.00	78,000.00		
<u>TOTAL OTHER EXPENSES</u>	<u>501,292.73</u>	<u>501,292.73</u>	<u>194,197.08</u>	<u>307,095.65</u>
<u>GRAND TOTAL</u>	<u>\$ 700,787.91</u>	<u>\$ 700,787.91</u>	<u>\$ 211,904.80</u>	<u>\$ 488,883.11</u>
REF.			A-4	A-1

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

		BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Appropriation Reserves	A	\$ 559,962.70			
Reserve for Encumbrances	A-18	140,825.21			
		<u>\$ 700,787.91</u>			

"A-11"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 11,674.23
Increased by:		
Receipts	A-4	<u>19,079.26</u>
		30,753.49
Decreased by:		
Cancelled	A-1	\$ 4,869.99
Disbursements	A-4	20,409.02
Applied to 2020 Taxes Receivable	A-5	<u>393.09</u>
		<u>25,672.10</u>
Balance, December 31, 2021	A	\$ <u><u>5,081.39</u></u>

"A-12"

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 201,924.11
Increased by:		
Receipts	A-4	<u>273,429.75</u>
		475,353.86
Decreased by:		
Applied to 2021 Taxes Receivable	A-5	<u>201,924.11</u>
Balance, December 31, 2021	A	\$ <u><u>273,429.75</u></u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

	REF.	TOTAL	UNIFORM CONSTRUCTION CODE	MARRIAGE LICENSES	CH. 20, P.L. 1971
Balance, December 31, 2020 - Due From/(Due To)	A	\$ (6,100.65)	\$ (5,276.00)	\$ (250.00)	\$ (574.65)
Increased/Decreased by:					
Deductions:					
Per Billings		52,000.00			52,000.00
Allowed by Tax Collector (Net)		750.00			750.00
Disbursements	A-5	52,750.00			52,750.00
Total Increases/Decreases	A-4	23,161.00	22,261.00	900.00	
Total Increases/Decreases and Balances		75,911.00	22,261.00	900.00	52,750.00
		69,810.35	16,985.00	650.00	52,175.35
Decreased/Increased by:					
Receipts	A-4	75,600.00	24,175.00	925.00	50,500.00
Total Decreases		75,600.00	24,175.00	925.00	50,500.00
Balance, December 31, 2021 - Due From/(Due To)	A	\$ (5,789.65)	\$ (7,190.00)	\$ (275.00)	\$ 1,675.35

"A-14"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Increased by:			
2021 Tax Levy:			
General County	A-5	\$ 2,948,875.39	
County Library	A-5	321,689.40	
County Health	A-5	147,991.30	
County Open Space Preservation	A-5	106,596.06	
Due County for Added and Omitted Taxes	A-5	<u>3,493.31</u>	
	A-1		\$ <u>3,528,645.46</u>
			3,528,645.46
Decreased by:			
Payments	A-4		\$ <u><u>3,528,645.46</u></u>

"A-15"

SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020:			
School Tax Payable	A	\$ 591,376.65	
School Tax Deferred		<u>5,787,199.61</u>	
			\$ 6,378,576.26
Increased by:			
Levy School Year - July 1, 2021 to			
June 30, 2022	A-5		<u>12,882,551.00</u>
			19,261,127.26
Decreased by:			
Payments	A-4		<u>12,819,857.00</u>
Balance, December 31, 2021:			
School Tax Payable	A	\$ 654,070.65	
School Tax Deferred		<u>5,787,199.61</u>	
			\$ <u><u>6,441,270.26</u></u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF DUE PLUMSTED MUA

	<u>REF.</u>	
Balance December 31, 2020	A	\$ 516.04
Increased by:		
Receipts	A-4	<u>2,000.93</u>
		2,516.97
Decreased by:		
Disbursements	A-4	<u>2,516.97</u>
Balance December 31, 2021	A	\$ <u><u> </u></u>

"A-17"

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>		
Balance, December 31, 2020 Due From/(Due To)	A	\$	0.03
Increased by:			
Disbursements	A-4		<u>31.10</u>
			31.13
Decreased by:			
Receipts	A-4		<u>0.03</u>
Balance, December 31, 2021 Due From/(Due To)	A	\$	<u><u>31.10</u></u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance December 31, 2020	A	\$ 140,825.21	\$ 53,821.15
Increased by:			
Transferred from:			
2021 Appropriations	A-3	132,471.22	
Grants Appropriated	A-22		392,810.21
Total Increases		<u>132,471.22</u>	<u>392,810.21</u>
Total Increases and Balances		<u>273,296.43</u>	<u>446,631.36</u>
Decreased by:			
Transferred to:			
2020 Appropriation Reserves	A-10	140,825.21	
Grants Appropriated	A-22		53,821.15
Total Decreases		<u>140,825.21</u>	<u>53,821.15</u>
Balance December 31, 2021	A	\$ <u>132,471.22</u>	\$ <u>392,810.21</u>

TOWNSHIP OF PLUMSTED

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2020	INCREASED BY	DECREASED BY	BALANCE DECEMBER 31, 2021
Net Payroll	\$	\$ 1,298,791.51	\$ 1,298,791.51	\$
Payroll Liabilities	650.49	792,439.31	792,340.14	749.66
Reserve for Courtesy Busing	14,529.00			14,529.00
Pilots Due County of Ocean		7,396.44	1,767.46	5,628.98
	<u>\$ 15,179.49</u>	<u>\$ 2,098,627.26</u>	<u>\$ 2,092,899.11</u>	<u>\$ 20,907.64</u>
REF.	A	A-4	A-4	A

TOWNSHIP OF PLUMSTED
GRANT FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance, December 31, 2020 - Due From/(Due To)	A	\$ <u>42,744.44</u>
Increased by:		
Canceled Grants Receivable	A-1:A-21	120,517.84
Receipts - Grants Receivable	A-4:A-21	393,431.65
Receipts - Grants Unappropriated	A-4:A-23	448,557.09
2021 Budget Appropriations	A-3:A-22	389,642.74
		<u>1,352,149.32</u>
		<u>1,394,893.76</u>
Decreased by:		
Canceled Grants Appropriated	A-1:A-22	120,517.84
Disbursements - Grants Appropriated	A-4:A-22	142,606.88
2021 Budget Revenues	A-2:A-21	383,452.74
		<u>646,577.46</u>
Balance, December 31, 2021 - Due From/(Due To)	A	\$ <u><u>748,316.30</u></u>

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2020	2021 BUDGET REVENUE REALIZED	CASH RECEIPTS	CANCELED	BALANCE DECEMBER 31, 2021
Bulletproof Vest Partnership Grant Prior Years	\$ 2,994.07	\$	\$ 855.40	\$	\$ 2,138.67
Drunk Driving Enforcement Fund Prior Years	4,500.00				4,500.00
Bulletproof Vest Partnership Grant Prior Years	776.85				776.85
Municipal Alliance on Alcoholism and Drug Abuse Prior Years	1,260.00		1,117.20		142.80
NJ Department of Transportation Municipal Aid Prior Years: Loveman Road	208,465.15			120,517.84	87,947.31
2020 Grants:					
Community Development Block Grant	34,000.00		34,000.00		302.00
Municipal Alliance on Alcoholism and Drug Abuse	4,782.61		4,480.61		
NJ Department of Transportation Municipal Aid: Tower Road	218,000.00		126,207.85		91,792.15
2021 Grants:					
Alcohol Education and Rehabilitation Fund		1,817.59	1,817.59		
Body Armor Replacement Fund		1,359.36	1,359.36		
Body-Worn Camera Grant		38,722.00	12,794.24		25,927.76
Clean Communities Program		18,484.18	18,484.18		1,656.39
Drunk Driving Enforcement Fund		1,656.39			
NJ Department of Transportation Municipal Aid: Hopkins Road		292,700.00	163,602.00		129,098.00
Recycling Tonnage Grant		2,513.22	2,513.22		
Safe and Secure Communities Program		16,200.00	16,200.00		
Senior Center		10,000.00	10,000.00		
	<u>\$ 474,778.68</u>	<u>\$ 383,452.74</u>	<u>\$ 393,431.65</u>	<u>\$ 120,517.84</u>	<u>\$ 344,281.93</u>
REF.	A	A-20	A-20	A-20	A

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2020	2021 BUDGET APPROPRIATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2021
Alcohol Education and Rehabilitation Fund	\$ 8,269.91	\$ 1,817.59	\$	\$	\$ 10,087.50
Body Armor Replacement Fund	6,161.52	1,359.36	1,140.37		6,380.51
Body-Worn Camera Grant		38,722.00	12,794.24		25,927.76
Bulletproof Vest Partnership Grant	2,609.81		1,140.37		1,469.44
Clean Communities Program	22,082.99	18,484.18	14,740.42		25,826.75
Community Development Block Grant	34,000.00		34,000.00		
Drunk Driving Enforcement Fund	2,506.98	1,656.39	415.34		3,748.03
JIF Safety Incentive Award	406.83		7,638.92		406.83
Municipal Alliance on Alcoholism and Drug Abuse	7,638.92				0.00
NJ Department of Transportation Municipal Aid:					
Loveman Road	95,778.37		(24,739.47)	120,517.84	47,722.87
Tower Road	218,000.00		170,277.13		72,564.00
Hopkins Road		292,700.00	220,136.00		35,325.34
Recycling Revenue Sharing	35,325.34		11,662.62		21,525.38
Recycling Tonnage Grant	30,674.78	2,513.22	20,250.00		
Safe and Secure Communities Program		20,250.00	10,000.00		
Senior Center		10,000.00	10,000.00		
Supplemental Fire Services Program		2,140.00	2,140.00		
	246.52				246.52
	<u>\$ 463,701.97</u>	<u>\$ 389,642.74</u>	<u>\$ 481,595.94</u>	<u>\$ 120,517.84</u>	<u>\$ 251,230.93</u>
REF.	A	A-20		A-20	A
Cash Disbursements			\$ 142,606.88		
Reserve for Encumbrances			392,810.21		
Reserve for Encumbrances			(53,821.15)		
			<u>\$ 481,595.94</u>		

"A-23"

TOWNSHIP OF PLUMSTED

GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

	<u>CASH RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2021</u>
American Rescue Plan Tranche #1	\$ <u>448,557.09</u>	\$ <u>448,557.09</u>
	\$ <u>448,557.09</u>	\$ <u>448,557.09</u>
<u>REF.</u>	A-20	A

TRUST FUND

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TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF TRUST CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST</u>	<u>TRUST OTHER</u>
Balance, December 31, 2020	B	\$ 6,064.51	\$ 2,209,477.72
Increased by Receipts:			
Due State Department of Health-Animal Control Trust Fund	B-2	\$ 1,403.40	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	12,800.75	
Miscellaneous Reserves	B-6		<u>2,152,325.34</u>
		<u>14,204.15</u>	<u>2,152,325.34</u>
		20,268.66	4,361,803.06
Decreased by Disbursements:			
Due State Department of Health-Animal Control Trust Fund	B-2	\$ 1,399.20	\$
Reserve for Animal Control Trust Fund Expenditures	B-3	14,669.90	
Interfund-Current Fund	B-4		0.03
Miscellaneous Reserves	B-6		<u>1,401,863.66</u>
		<u>16,069.10</u>	<u>1,401,863.69</u>
Balance, December 31, 2021	B	\$ <u>4,199.56</u>	\$ <u>2,959,939.37</u>

"B-2"

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF DUE STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Increased by:		
Receipts - State Registration Fees	B-1	\$ 1,403.40
Decreased by:		
Disbursements - State Registration Fees	B-1	<u>1,399.20</u>
Balance, December 31, 2021	B	\$ <u><u>4.20</u></u>

"B-3"

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 5,280.01
Increased by:		
Animal Control License Fees Collected	B-1	<u>12,800.75</u>
		18,080.76
Decreased by:		
Expenditures Under R.S. 4:19-15.11	B-1	\$ 14,669.90
Reserve for Encumbrances (Net)	B-5	<u>(541.50)</u>
		<u>14,128.40</u>
Balance, December 31, 2021	B	\$ <u><u>3,952.36</u></u>

LICENSE FEES COLLECTED

AMOUNT

2020	\$ 11,072.55
2019	<u>15,409.30</u>
	\$ <u><u>26,481.85</u></u>

"B-4"

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>REF.</u>		<u>TRUST OTHER FUND</u>
Balance, December 31, 2020 (Due From)/Due To	B	\$	0.03
Decreased by:			
Disbursements	B-1	\$	<u>0.03</u>

"B-5"

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2020	B	\$ 784.50	\$ 83,393.82
Increased by:			
Reserve for Animal Control Trust Fund Expenditures	B-3	243.00	
Miscellaneous Reserves	B-6		<u>81,214.25</u>
		<u>1,027.50</u>	<u>164,608.07</u>
Decreased by:			
Reserve for Animal Control Trust Fund Expenditures	B-3	784.50	
Miscellaneous Reserves	B-6		<u>83,393.82</u>
		<u>784.50</u>	<u>83,393.82</u>
Balance, December 31, 2021	B	\$ <u>243.00</u>	\$ <u>81,214.25</u>

"B-6"

TOWNSHIP OF PLUMSTED

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2020	INCREASED	DECREASED	BALANCE DECEMBER 31, 2021
Tax Sale Premiums	\$ 301,900.00	\$ 490,100.00	\$ 221,500.00	\$ 570,500.00
Performance Bonds	1,204,272.00	589,926.81	164,204.39	1,629,994.42
Planning Board Escrow	177,321.29	127,702.40	106,759.43	198,264.26
Curb and Sidewalk Deposits	20,292.51			20,292.51
Lot Grading	4,694.00			4,694.00
Recreation Improvement Contributions	1,862.74			1,862.74
Soil Removal	2,777.75			2,777.75
Parking Offense Adjudication Act	109.00			109.00
Law Enforcement Trust	4,089.47	2.31		4,091.78
Public Defender	105.00	483.00	380.00	208.00
Green Technology	1,376.09			1,376.09
Municipal Open Space	120,876.62	156,909.76	111,449.09	166,337.29
Council on the Arts	2,742.40			2,742.40
Outside Employment of Off Duty Municipal Police	178,921.63	249,667.50	222,519.56	206,069.57
PT Environmental Commission Donation	858.33			858.33
September 11, 2001 World Trade Center	52.01			52.01
Snow Removal	57,057.48	76,500.00	109,331.58	24,225.90
Land Use Board Education Contribution		100.00	50.00	50.00
Main Street Program	4,072.03	3,438.23	3,263.86	4,246.40
Municipal Alliance of Drug and Alcohol Abuse	3,604.58	2,240.00	2,578.64	3,265.94
Municipal Building Donations	3,706.39	1,754.39	4,409.39	1,051.39
July 4th Celebration	2,128.58	11,148.15	11,148.15	2,128.58
TTL Redemption		442,352.79	442,090.00	262.79
Accumulated Absences	33,263.97			33,263.97
	<u>\$ 2,126,083.87</u>	<u>\$ 2,152,325.34</u>	<u>\$ 1,399,684.09</u>	<u>\$ 2,878,725.12</u>
REF.	B	B-1		B
B-1			\$ 1,401,863.66	
B-5			81,214.25	
B-5			<u>(83,393.82)</u>	
			<u>\$ 1,399,684.09</u>	

Cash Disbursements
Reserve for Encumbrances
Reserve for Encumbrances

GENERAL CAPITAL FUND

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TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 1,699,935.18
Increased by Receipts:			
Reserve for Retirement of Debt	C	\$ 1,881,750.00	
Interfund - Current Fund	C	31.10	
Bond Anticipation Notes	C-6	500,000.00	
NJEIT Interim Construction Note Proceeds	C-8	9,239,221.00	
Capital Improvement Fund	C-12	<u>60,000.00</u>	
			<u>11,681,002.10</u>
			13,380,937.28
Decreased by Disbursements:			
Reserve for Retirement of Debt	C	\$ 476,136.65	
Improvement Authorizations	C-11	<u>9,799,299.70</u>	
			<u>10,275,436.35</u>
Balance, December 31, 2021	C		\$ <u><u>3,105,500.93</u></u>

"C-3"

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

BALANCE
DECEMBER
31, 2021

Fund Balance	\$ 581.91
Reserve for Retirement of Debt	2,646,613.35
Reserve for Encumbrances	975,673.38
Capital Improvement Fund	82,731.39
Interfund - Current Fund	31.10

Improvement Authorizations:

Ordinance
Number

02-02	Acquisition and Development for Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	(8,935.00)
08-11	Various Capital Improvements	13,273.89
12-15	Payments of Amounts Owing to Others	
	for Taxes Levied	0.00
13-12	Various Capital Improvements	13,024.65
15-06	Various Capital Improvements and Other Related Expenses	(115,191.00)
17-21/21-03	Aid to New Egypt Redevelopment Project	(323,340.78)
18-09	Aid to New Egypt Redevelopment Project	91.37
20-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	(179,053.33)
		<u>\$ 3,105,500.93</u>

REF.

C

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>REF.</u>		
Balance December 31, 2020	C		\$ 263,011.72
Increased by:			
Transfer from Deferred Taxation - Unfunded	C-5		<u>22,592,079.00</u>
			22,855,090.72
Decreased by:			
Budget Appropriations to Pay:			
Downtown Business Improvement Zone Loan	C-7	\$ 34,484.22	
Green Trust Loans	C-10	5,121.67	
Paid by Reserve for Retirement of Debt	C-9	218,828.15	
Canceled	C-9	<u>509,226.00</u>	
			<u>767,660.04</u>
Balance December 31, 2021	C		\$ <u><u>22,087,430.68</u></u>

TOWNSHIP OF PLUMSTED
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2020			BALANCE DECEMBER 31, 2021
							INCREASED	DECREASED	
08-11	Various Capital Improvements	09/26/13	09/09/21	09/08/22	0.373%	\$ 41,735.00	\$	\$ 13,913.00	\$ 27,822.00
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	09/26/13	09/09/21	09/08/22	0.371%	26,311.00		8,773.00	17,538.00
15-06	Various Capital Improvements and Other Related Expenses	09/20/16	09/09/21	09/08/22	0.371%	175,000.00		25,000.00	150,000.00
17-15	Various Capital Improvements and Other Related Expenses	09/19/17	09/09/21	09/08/22	0.371%	79,700.18		11,385.00	68,315.18
18-09	Aid to New Egypt Redevelopment Project	09/11/18	09/09/21	09/08/22	0.371%	25,299.82		3,615.00	21,684.82
08-11	Various Capital Improvements	09/10/19	09/09/21	09/08/22	0.371%	133,190.00		50,000.00	83,190.00
17-21	Aid to New Egypt Redevelopment Project	10/10/19	10/06/21	10/05/22	0.570%	175,000.00		25,000.00	150,000.00
17-21	Aid to New Egypt Redevelopment Project	10/06/20	10/06/21	10/05/22	0.570%	300,000.00	500,000.00	27,777.00	272,223.00
17-21	Aid to New Egypt Redevelopment Project	10/06/21	10/06/21	10/05/22	0.570%				500,000.00
20-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	09/09/20	09/09/21	09/08/22	0.373%	325,000.00		32,500.00	292,500.00
						<u>\$ 1,281,236.00</u>	<u>\$ 500,000.00</u>	<u>\$ 197,963.00</u>	<u>\$ 1,583,273.00</u>
						C	C-2	C-5	C
						<u>REF.</u>			

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF DOWNTOWN BUSINESS IMPROVEMENT ZONE LOAN PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>		<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2021</u>
			<u>DATE</u>	<u>AMOUNT</u>		
Downtown New Egypt Improvements	12/15/11	\$ 528,294.76	12/15/2022-25	\$ 34,484.22	\$ 206,905.22	\$ 172,421.00
			12/15/26	34,484.12		
			<u>REF.</u>		C	C
					C-4	

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF NJEIT INTERIM CONSTRUCTION NOTE PAYABLE

	<u>REF.</u>	
Balance December 31, 2020	C	\$ 18,693,212.00
Increased by:		
Receipts	C-2	<u>9,239,221.00</u>
		27,932,433.00
Decreased by		
Transfer to NJ I-Bank Loan Payable	C-9	<u>22,592,079.00</u>
Balance December 31, 2021	C	<u>\$ 5,340,354.00</u>

TOWNSHIP OF PLUMSTED
GENERAL CAPITAL FUND
SCHEDULE OF NJ I-BANK LOAN PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2021</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Aid to New Egypt Redevelopment Project	08/01/21	\$ 22,592,079.00	See C-9 - Sheet 2		Various	\$ 22,592,079.00	\$ 728,054.15	\$ 21,864,024.85
						\$ 22,592,079.00	\$ 728,054.15	\$ 21,864,024.85
					REF.	C-8		C
			Paid by Reserve for				\$ 218,828.15	
			Retirement of Debt		C-4		509,226.00	
			Canceled		C-4			
							\$ 728,054.15	

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

MATURITY SCHEDULE \$22,592,079 NJ I-BANK LOAN 2021 A-1 S340 607-03

<u>DUE</u>	<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/22	\$ 21,864,024.85	\$ 109,414.07	\$ 179,400.00	\$ 288,814.07
08/01/22	21,754,610.78	463,828.15	179,400.00	643,228.15
02/01/23	21,290,782.63	109,414.07	173,275.00	282,689.07
08/01/23	21,181,368.56	473,828.15	173,275.00	647,103.15
02/01/24	20,707,540.41	109,414.07	166,900.00	276,314.07
08/01/24	20,598,126.34	488,828.15	166,900.00	655,728.15
02/01/25	20,109,298.19	109,414.07	160,150.00	269,564.07
08/01/25	19,999,884.12	503,828.15	160,150.00	663,978.15
02/01/26	19,496,055.97	109,414.07	153,025.00	262,439.07
08/01/26	19,386,641.90	513,828.15	153,025.00	666,853.15
02/01/27	18,872,813.75	109,414.07	145,650.00	255,064.07
08/01/27	18,763,399.68	528,828.15	145,650.00	674,478.15
02/01/28	18,234,571.53	109,414.07	137,900.00	247,314.07
08/01/28	18,125,157.46	548,828.15	137,900.00	686,728.15
02/01/29	17,576,329.31	109,414.07	129,650.00	239,064.07
08/01/29	17,466,915.24	563,828.15	129,650.00	693,478.15
02/01/30	16,903,087.09	109,414.07	121,025.00	230,439.07
08/01/30	16,793,673.02	578,828.15	121,025.00	699,853.15
02/01/31	16,214,844.87	109,414.07	113,825.00	223,239.07
08/01/31	16,105,430.80	593,828.15	113,825.00	707,653.15
02/01/32	15,511,602.65	109,414.07	108,200.00	217,614.07
08/01/32	15,402,188.58	603,828.15	108,200.00	712,028.15
02/01/33	14,798,360.43	109,414.07	102,425.00	211,839.07
08/01/33	14,688,946.36	618,828.15	102,425.00	721,253.15
02/01/34	14,070,118.21	109,414.07	96,425.00	205,839.07
08/01/34	13,960,704.14	628,828.15	96,425.00	725,253.15
02/01/35	13,331,875.99	109,414.07	90,275.00	199,689.07
08/01/35	13,222,461.92	643,828.15	90,275.00	734,103.15
02/01/36	12,578,633.77	109,414.07	83,900.00	193,314.07
08/01/36	12,469,219.70	653,828.15	83,900.00	737,728.15
02/01/37	11,815,391.55	109,414.07	79,550.00	188,964.07
08/01/37	11,705,977.48	663,828.15	79,550.00	743,378.15
02/01/38	11,042,149.33	109,414.07	72,875.00	182,289.07
08/01/38	10,932,735.26	673,828.15	72,875.00	746,703.15
02/01/39	10,258,907.11	109,414.07	66,050.00	175,464.07
08/01/39	10,149,493.04	688,828.15	66,050.00	754,878.15

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

MATURITY SCHEDULE \$22,592,079 NJ I-BANK LOAN 2021 A-1 S340 607-03

<u>DUE</u>	<u>LOAN</u> <u>BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/40	\$ 9,460,664.89	\$ 109,414.07	\$ 61,350.00	\$ 170,764.07
08/01/40	9,351,250.82	698,828.15	61,350.00	760,178.15
02/01/41	8,652,422.67	109,414.07	56,550.00	165,964.07
08/01/41	8,543,008.60	708,828.15	56,550.00	765,378.15
02/01/42	7,834,180.45	109,414.07	51,650.00	161,064.07
08/01/42	7,724,766.38	718,828.15	51,650.00	770,478.15
02/01/43	7,005,938.23	109,414.07	46,650.00	156,064.07
08/01/43	6,896,524.16	728,828.15	46,650.00	775,478.15
02/01/44	6,167,696.01	109,414.07	41,550.00	150,964.07
08/01/44	6,058,281.94	738,828.15	41,550.00	780,378.15
02/01/45	5,319,453.79	109,414.07	36,350.00	145,764.07
08/01/45	5,210,039.72	748,828.15	36,350.00	785,178.15
02/01/46	4,461,211.57	109,414.07	31,050.00	140,464.07
08/01/46	4,351,797.50	758,828.15	31,050.00	789,878.15
02/01/47	3,592,969.35	109,414.07	25,650.00	135,064.07
08/01/47	3,483,555.28	768,828.15	25,650.00	794,478.15
02/01/48	2,714,727.13	109,414.07	19,462.50	128,876.57
08/01/48	2,605,313.06	783,828.15	19,462.50	803,290.65
02/01/49	1,821,484.91	109,414.07	13,106.25	122,520.32
08/01/49	1,712,070.84	793,828.15	13,106.25	806,934.40
02/01/50	918,242.69	109,414.07	6,637.50	116,051.57
08/01/50	808,828.62	808,828.62	6,637.50	815,466.12
<u>TOTAL</u>		\$ <u>21,864,024.85</u>	\$ <u>5,141,012.50</u>	\$ <u>27,005,037.35</u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2021</u>
			<u>OUTSTANDING DECEMBER 31, 2021 DATE</u>	<u>AMOUNT</u>				
Recreation Complex Improvement	12/20/10	\$ 100,000.00	See C-10 - Sheet 2		2.00%	\$ 56,106.50	\$ 5,121.67	\$ 50,984.83
						\$ 56,106.50	\$ 5,121.67	\$ 50,984.83
					<u>REF.</u>	C	C-4	C

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

MATURITY SCHEDULE \$100,000 GREEN TRUST - 2010 - RECREATION COMPLEX IMPROVEMENT

<u>DUE</u>	<u>LOAN</u> <u>BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
04/25/22	\$ 50,984.83	\$ 2,599.31	\$ 509.85	\$ 3,109.16
10/25/22	48,385.52	2,625.30	483.86	3,109.16
04/25/23	45,760.22	2,651.56	457.60	3,109.16
10/25/23	43,108.66	2,678.07	431.09	3,109.16
04/25/24	40,430.59	2,704.85	404.31	3,109.16
10/25/24	37,725.74	2,731.90	377.26	3,109.16
04/25/25	34,993.84	2,759.22	349.94	3,109.16
10/25/25	32,234.62	2,786.81	322.35	3,109.16
04/25/26	29,447.81	2,814.68	294.48	3,109.16
10/25/26	26,633.13	2,842.83	266.33	3,109.16
04/25/27	23,790.30	2,871.26	237.90	3,109.16
10/25/27	20,919.04	2,899.97	209.19	3,109.16
04/25/28	18,019.07	2,928.97	180.19	3,109.16
10/25/28	15,090.10	2,958.26	150.90	3,109.16
04/25/29	12,131.84	2,987.84	121.32	3,109.16
10/25/29	9,144.00	3,017.72	91.44	3,109.16
04/25/30	6,126.28	3,047.90	61.26	3,109.16
10/25/30	3,078.38	3,078.38	30.78	3,109.16
<u>TOTAL</u>		\$ <u>50,984.83</u>	\$ <u>4,980.05</u>	\$ <u>55,964.88</u>

TOWNSHIP OF PLUMSTED
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2020		PAID OR CHARGED	BALANCE DECEMBER 31, 2021	
				FUNDED	UNFUNDED		FUNDED	UNFUNDED
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	01/28/02	\$ 2,500,000.00	\$	\$ 264,464.66	\$ 8,935.00	\$	\$ 255,529.66
08-11	Various Capital Improvements	08/06/08	977,170.00		29,157.85	15,883.96		13,273.89
13-12	Various Capital Improvements	10/02/13	68,938.27	14,645.60		1,620.95	13,024.65	
17-21/21-03	Aid to New Egypt Redevelopment Project	11/01/17						
		05/05/21	39,000,000.00		6,518,153.37	639,118.15		5,879,035.22
		07/11/18	28,914.82		91.37			91.37
18-09	Aid to New Egypt Redevelopment Project				2,298,926.39	427,979.72		1,870,946.67
20-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	08/05/20	2,500,000.00					
				\$ 14,645.60	\$ 9,110,793.64	\$ 1,093,537.78	\$ 13,024.65	\$ 8,018,876.81
				C	C		C	C
		REF.						
	Cash Disbursements	C-2				\$ 9,799,299.70		
	Reserve for Encumbrances	C-13				975,673.38		
	Reserve for Encumbrances	C-13				(9,681,435.30)		
						\$ 1,093,537.78		

"C-12"

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 22,731.39
Increased by:		
2021 Budget Appropriation	C-2	<u>60,000.00</u>
Balance, December 31, 2021	C	<u><u>\$ 82,731.39</u></u>

"C-13"

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 9,681,435.30
Increased by:		
Improvement Authorizations	C-11	<u>975,673.38</u>
		10,657,108.68
Decreased by:		
Improvement Authorizations	C-11	<u>9,681,435.30</u>
Balance, December 31, 2021	C	\$ <u><u>975,673.38</u></u>

TOWNSHIP OF PLUMSTED

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2021</u>
02-02	Acquisition and Development of Lands for Open Space, Natural Lands, Recreation, Historic and Farmland Preservation and Other Related Expenses	\$ 264,464.66
15-06	Various Capital Improvements and Other Related Expenses	115,191.00
17-21/21-03	Aid to the New Egypt Redevelopment Project	6,202,376.00
20-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	<u>2,050,000.00</u>
		<u>\$ 8,632,031.66</u>
	<u>REF.</u>	C

TOWNSHIP OF PLUMSTED

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2021

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable Mayor and Members
of the Council
Township of Plumsted
County of Ocean
New Egypt, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Township of Plumsted's compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Plumsted's major state programs for the year ended December 31, 2021. The Township's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Plumsted complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards, New Jersey OMB's Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and New Jersey OMB's Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in

internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA No. 435

Lakewood, New Jersey
July 20, 2022

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TOWNSHIP OF PLUMSTED
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT PERIOD</u> <u>FROM</u> <u>TO</u>	<u>GRANT AWARD AMOUNT</u>	<u>2021 FUNDS RECEIVED</u>	<u>2021 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2021</u>
JUDICIARY:						
Direct Programs						
Alcohol Education and Rehabilitation Fund						
Prior Years	760-098-9735-001-060000	Prior Years	\$ 6,123.57	\$	\$	
2019	760-098-9735-001-060000	01/01/19	562.62			
2020	760-098-9735-001-060000	01/01/20	1,583.72	1,817.59		
2021	760-098-9735-001-060000	01/01/21	1,817.59	1,817.59		
Total Judiciary						
LAW AND PUBLIC SAFETY						
Direct Programs						
Body Armor Replacement Fund						
Prior Years	718-066-1020-001-090160	Prior Years	5,263.24		1,140.37	3,691.15
2019	718-066-1020-001-090160	01/01/19	1,773.98			
2020	718-066-1020-001-090160	01/01/20	1,675.08			
2021	718-066-1020-001-090160	01/01/21	1,359.36	1,359.36		
2022	718-066-1020-001-090160	01/01/22	1,008.38	1,359.36	1,140.37	3,691.15
Body-Worn Camera Program						
2021	100-066-1020-495-092120	01/01/21	38,722.00	12,794.24	12,794.24	12,794.24
Drunk Driving Enforcement Fund						
2019	100-078-6400-001-YYYY-xxxx	01/01/19	3,500.00		415.34	1,408.36
2021	100-078-6400-001-YYYY-xxxx	01/01/21	1,656.39		415.34	1,408.36
Safe and Secure Communities Program						
2021	100-066-1020-232-090940	01/01/21	16,200.00	16,200.00	16,200.00	16,200.00
Total Law and Public Safety				30,353.60	30,549.95	34,093.75
DEPARTMENT OF HEALTH:						
Indirect Programs - Passed Through Ocean County						
Health Department:						
Municipal Alliance Grant:						
2019	100-046-4230-JJ6310	01/01/19	10,223.77	1,117.20	(142.80)	10,080.97
2020	100-046-4230-JJ6310	01/01/20	4,782.61	4,480.61	3,763.22	4,480.61
Total Municipal Alliance Grant				5,597.81	3,620.42	14,561.58

TOWNSHIP OF PLUMSTED

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2021

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2021 FUNDS RECEIVED	2021 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2021
ENVIRONMENTAL PROTECTION						
Direct Programs						
Clean Communities						
2019	765-042-4900-004-178910	01/01/19	\$ 19,265.88	\$	\$ 4,712.33	\$ 19,265.88
2020	765-042-4900-004-178910	01/01/20	17,370.66		10,028.09	10,028.09
2021	765-042-4900-004-178910	01/01/21	18,484.18	18,484.18	14,740.42	29,293.97
Recycling Tonnage						
Prior Years	100-042-4910-224-238490	Prior Years	47,450.25		11,662.62	35,318.08
2018	100-042-4910-224-238490	01/01/19	3,101.28			
2019	100-042-4910-224-238490	01/01/20	3,778.71	2,513.22		
2020	100-042-4910-224-238490	01/01/21	2,513.22	2,513.22	11,662.62	35,318.08
New Jersey Environmental Infrastructure Financing Program	S-340607-03	09/02/15	27,672,042.00	9,106,036.84	9,106,036.84	26,756,259.00
Total Environmental Protection				9,127,034.24	9,132,439.88	26,820,871.05
TRANSPORTATION						
Indirect Programs - Passed Through NJTPA						
Local Municipal Aid						
Loveman Road	480-078-6320-XXX-605179	01/01/19	230,232.16		(24,739.47)	230,232.16
Tower Road	480-078-6320-XXX-606280	01/01/20	218,000.00	126,207.85	170,277.13	170,277.13
Hopkins Road Road	480-078-6320-XXX-606281	01/01/21	292,700.00	163,602.00	220,136.00	220,136.00
Total Transportation				289,809.85	365,673.66	786,121.50
Total State Assistance				\$ 9,454,613.09	\$ 9,532,283.91	\$ 27,655,647.88

**TOWNSHIP OF PLUMSTED
NOTES TO SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of state financial assistance present the activity of all state financial assistance programs of the Township of Plumsted. The Township is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

	<u>Amount</u>
State & Federal Grant Fund	\$ 426,247.07
General Capital Fund	<u>9,106,036.84</u>
Total State Financial Assistance	<u><u>\$ 9,532,283.91</u></u>

**TOWNSHIP OF PLUMSTED
NOTES TO SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 4. Relationship to State Financial Reports

The regulations and guidelines governing the preparation of state financial reports vary by state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the state financial reports do not necessarily agree with the amounts reported in the accompanying Schedules, which is prepared on the modified accrual basis of accounting as explained in Note 2.

Note 5. State Loans Outstanding

The Township had no loan balances outstanding at December 31, 2021.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant program for economy, efficiency and program results. However, the Township administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**TOWNSHIP OF PLUMSTED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section I - Summary of Auditor's Results

Financial Statements

	Adverse - GAAP;	
Type of auditor's report issued	Unmodified - Regulatory Basis	
 Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> no
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

Federal Awards - SECTION NOT APPLICABLE

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ no
2) Significant deficiency(ies) identified?	_____ yes	_____ none reported
Type of auditor's report issued on compliance for major programs	_____	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	_____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs	_____ \$ 750,000
Auditee qualified as low-risk auditee?	_____ yes _____ no

Section I - Summary of Auditor's Results (continued)

Dollar threshold used to determine Type A programs	\$ 750,000
--	------------

Auditee qualified as low-risk auditee?	X	yes	no
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1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified?	yes	X	no
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Type of auditor's report issued on compliance for major programs	Unmodified - Regulatory Basis
--	-------------------------------

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	yes	X	no
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Name of State Program

S-340607-03

New Jersey Environmental Infrastructure Financing Program

**TOWNSHIP OF PLUMSTED
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF PLUMSTED
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section III – State Financial Assistance Findings & Questioned Costs

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

None.

**TOWNSHIP OF PLUMSTED
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

No Prior Year Findings.

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TOWNSHIP OF PLUMSTED

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2021:

<u>Name</u>	<u>Title</u>
Herbert F. Marinari	Mayor
Erick A. Sorchik	Deputy Mayor
Robert W. Bowen	Committee Member
Leonard A. Grilletto	Committee Member
Jack A. Trotta	Committee Member
June D. Madden	Chief Financial Officer
Jennifer Witham	Municipal Clerk
Kelly Creighton	Tax Collector
Maureen Francis	Tax Assessor
Damian G. Murray	Municipal Court Judge
Sandra Brodbeck	Municipal Court Administrator

Employees are covered by a Blanket Bond of \$1,000,000.00 of which \$50,000.00 is provided as part of the Ocean County Joint Insurance Fund and \$950,000.00 through the Municipal Excess Liability Joint Insurance Fund.

During 2021, the Township of Plumsted was provided insurance as part of the Ocean County Municipal Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Employee Theft, Disappearance and Destruction On/Off Premises	\$1,000,000.00
Forgery or Alteration	1,000,000.00
Robbery and Safe Burglary	1,000,000.00
Employee Dishonesty and Faithful Performance	1,000,000.00
Deductible Each Loss	1,000.00
Member Joint Insurance Fund Retention	50,000.00

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www.hfacpas.com

Honorable Mayor and Members
of the Township Committee
Township of Plumsted
County of Ocean
New Egypt, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2021.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the year end of December 31, 2021.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides 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 on January 4, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"NOW THEREFORE, BE IT RESOLVED, by the Mayor and Township Committee of the Township of Plumsted, County of Ocean, State of New Jersey as follows:

- 1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes or unpaid assessments becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is or unpaid assessments in excess of \$10,000.00 and remains in arrears beyond December 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.*
- 2. Effective January 1, 2018 there will be a five (5) day grace period for quarterly tax payments made by cash, check, or money order.*
- 3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date, as set forth in paragraph one of this resolution."*

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

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA No. 435

Lakewood, New Jersey
July 20, 2022

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