

Report of Audit

on the

Financial Statements

of the

Township of Clinton

in the

County of Hunterdon
New Jersey

for the

Year Ended
December 31, 2023

TOWNSHIP OF CLINTON

INDEX

PAGES

PART I

Independent Auditor's Report

1-4

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

5-6

EXHIBITS

Financial Statements - Regulatory Basis

Current Fund:

Balance Sheets - Regulatory Basis

"A"

Statements of Operations and Change in Fund Balance - Regulatory Basis

"A-1"

Statement of Revenues - Regulatory Basis - Year Ended December 31, 2023

"A-2"

Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2023

"A-3"

Trust Fund:

Balance Sheets - Regulatory Basis

"B"

General Capital Fund:

Balance Sheets - Regulatory Basis

"C"

Statement of Capital Fund Balance - Regulatory Basis

"C-1"

General Fixed Assets Account Group:

Balance Sheets - Regulatory Basis

"F"

PAGES

Notes to Financial Statements

7-41

TOWNSHIP OF CLINTON

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules - All Funds

Current Fund:

| | |
|---|--------|
| Schedule of Cash - Collector-Treasurer | "A-4" |
| Schedule of Petty Cash | "A-5" |
| Schedule of Change Fund | "A-6" |
| Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions | "A-7" |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy | "A-8" |
| Schedule of Tax Title Liens | "A-9" |
| Schedule of Property Acquired for Taxes - Assessed Valuation | "A-10" |
| Schedule of Reserve for Accounts Payable | "A-11" |
| Schedule of Reserve for Municipal Relief Fund - Unappropriated | "A-12" |
| Schedule of Revenue Accounts Receivable | "A-13" |
| Schedule of 2022 Appropriation Reserves | "A-14" |
| Schedule of Reserve for Sale of Municipal Assets | "A-15" |
| Schedule of Reserve for Accounts Payable Grants | "A-16" |
| Schedule of Tax Overpayments | "A-17" |
| Schedule of Prepaid Taxes | "A-18" |
| Schedule of Reserve for Garden State Trust Unappropriated | "A-19" |
| Schedule of Due State of New Jersey - Construction Code Official | "A-20" |
| Schedule of Reserve for Grants Unappropriated | "A-21" |
| Schedule of Municipal Open Space Taxes Payable | "A-22" |
| Schedule of Grants Appropriated - Grant Fund | "A-23" |
| Schedule of Due State of New Jersey - Marriage Licenses | "A-24" |
| Schedule of County Taxes Payable | "A-25" |
| Schedule of Grants Receivable - Grant Fund | "A-26" |
| Schedule of Local District School Taxes Payable | "A-27" |
| Schedule of Regional District School Taxes Payable | "A-28" |
| Schedule of Interfund-Due General Capital Fund - Grant Fund | "A-29" |

Trust Fund:

| | |
|--|-------|
| Schedule of Cash - Treasurer | "B-1" |
| Schedule of Reserve for Various Deposits | "B-2" |
| Schedule of Reserve for Open Space | "B-3" |
| Schedule of Reserve for Accounts Payable | "B-4" |
| Schedule of Reserve for Animal Control Fund Expenditures | "B-5" |
| Schedule of Due State Department of Health - Animal Control Trust Fund | "B-6" |
| Schedule of Accounts Payable - Animal Control Trust Fund | "B-7" |

TOWNSHIP OF CLINTON

INDEX (CONTINUED)

EXHIBITS

General Capital Fund:

| | |
|--|--------|
| Schedule of Cash - Treasurer | "C-2" |
| Analysis of Capital Cash and Investments | "C-3" |
| Schedule of Reserve for Debt Service | "C-4" |
| Schedule of Deferred Charges to Future Taxation - Funded | "C-5" |
| Schedule of Reserve for Contracts Payable | "C-6" |
| Schedule of Serial Bonds | "C-7" |
| Schedule of Capital Improvement Fund | "C-8" |
| Schedule of Improvement Authorizations | "C-9" |
| Schedule of Interfunds-Due Grant Fund | "C-10" |
| Schedule of Grants Receivable | "C-11" |

PAGES

PART II

| | |
|--------------------------------------|-------|
| Statistical Data | 42-44 |
| Officials in Office and Surety Bonds | 45 |
| Comments and Recommendations | 46-49 |

TOWNSHIP OF CLINTON

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEARS ENDED DECEMBER 31, 2023 AND 2022



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Clinton
County of Hunterdon
Lebanon, New Jersey 08833

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Clinton (the "Township"), as of and for the years ended December 31, 2023 and 2022, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2023 and 2022, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") 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 "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2023.

SUPLEE, CLOONEY & COMPANY LLC

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division 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.

SUPLEE, CLOONEY & COMPANY LLC

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

May 28, 2024



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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**

The Honorable Mayor and Members
of the Township Council
Township of Clinton
County of Hunterdon
Lebanon, New Jersey 08833

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Clinton, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated May 28, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Clinton prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Township's control over financial reporting (internal control) as a basis for designing the 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.

SUPLEE, CLOONEY & COMPANY LLC

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's regulatory 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 Township of Clinton's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Clinton's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

May 28, 2024

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CURRENT FUND

"A"

TOWNSHIP OF CLINTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | BALANCE DECEMBER <u>31, 2023</u> | BALANCE DECEMBER <u>31, 2022</u> |
|--|-------------|--|--|
| <u>A S S E T S</u> | | | |
| Cash | A-4 | \$ 8,098,477.70 | \$ 6,601,210.83 |
| Change Fund | A-6 | 780.00 | 280.00 |
| Due State of New Jersey - Senior Citizens and Veterans | A-7 | 2,500.00 | 1,875.00 |
| | | <u>\$ 8,101,757.70</u> | <u>\$ 6,603,365.83</u> |
| | | | |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-8 | \$ 433,274.87 | \$ 395,606.23 |
| Tax Title Liens Receivable | A-9 | 90,792.89 | 98,963.30 |
| Revenue Accounts Receivable | A-13 | 12,761.50 | |
| Property Acquired for Taxes - Assessed Valuation | A-10 | 291,600.00 | 291,600.00 |
| | A | <u>\$ 828,429.26</u> | <u>\$ 786,169.53</u> |
| | | <u>\$ 8,930,186.96</u> | <u>\$ 7,389,535.36</u> |
| | | | |
| Grant Fund: | | | |
| Cash | A-4 | \$ 1,301,883.49 | \$ 1,366,520.79 |
| Grants Receivable | A-26 | 56,235.45 | 43,450.00 |
| | | <u>\$ 1,358,118.94</u> | <u>\$ 1,409,970.79</u> |
| | | <u>\$ 10,288,305.90</u> | <u>\$ 8,799,506.15</u> |
| | | | |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Appropriation Reserves | A-3:A-14 | \$ 1,283,384.66 | \$ 773,760.38 |
| Prepaid Taxes | A-18 | 475,019.24 | 380,256.88 |
| Accounts Payable | A-11 | 362,850.48 | 301,328.70 |
| Tax Overpayments | A-17 | | 6,363.72 |
| Reserve for: | | | |
| Sale of Municipal Assets | A-15 | 120,392.00 | 120,392.00 |
| Municipal Relief Fund Unappropriated | A-12 | 100,352.72 | 50,186.98 |
| Due State of New Jersey - Construction Code Official | A-20 | | 6,205.00 |
| Due State of New Jersey - Marriage Licenses | A-24 | 125.00 | |
| Garden State Trust-Unappropriated | A-19 | 6,512.00 | |
| Local School Taxes Payable | A-27 | 2,156,251.00 | 1,716,483.50 |
| Regional School Taxes Payable | A-28 | 493,391.99 | 349,478.51 |
| County Taxes Payable | A-25 | 15,892.87 | 18,510.61 |
| | | <u>\$ 5,014,171.96</u> | <u>\$ 3,722,966.28</u> |
| Reserve for Receivables and Other Assets | A | 828,429.26 | 786,169.53 |
| Fund Balance | A-1 | 3,087,585.74 | 2,880,399.55 |
| | | <u>\$ 8,930,186.96</u> | <u>\$ 7,389,535.36</u> |
| | | | |
| Grant Fund: | | | |
| Interfunds | A-29 | \$ 200,000.00 | \$ |
| Grants Appropriated | A-23 | 308,648.78 | 1,242,680.94 |
| Accounts Payable | A-16 | 798,424.28 | 75,920.90 |
| Grants Unappropriated | A-21 | 51,045.88 | 91,368.95 |
| | | <u>\$ 1,358,118.94</u> | <u>\$ 1,409,970.79</u> |
| | | <u>\$ 10,288,305.90</u> | <u>\$ 8,799,506.15</u> |

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

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

| | REF. | YEAR ENDED DECEMBER 31, 2022 | YEAR ENDED DECEMBER 31, 2022 |
|---|---------|------------------------------------|------------------------------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 1,228,251.00 | \$ 1,175,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 3,416,977.86 | 4,795,422.97 |
| Receipts From Delinquent Taxes | A-2 | 379,645.85 | 460,845.14 |
| Receipts From Current Taxes | A-2 | 61,906,162.39 | 60,352,186.46 |
| Non-Budget Revenue | A-2 | 264,244.22 | 316,205.32 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-14 | 761,861.19 | 786,626.57 |
| <u>TOTAL REVENUE AND OTHER INCOME</u> | | <u>\$ 67,957,142.51</u> | <u>\$ 67,886,286.46</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations Within "CAPS" | A-3 | \$ 9,267,459.75 | \$ 8,762,300.00 |
| Deferred Charges and Statutory Expenditures - Municipal | A-3 | 1,493,400.61 | 1,460,446.21 |
| State and Federal Programs Off-Set by Revenue | A-3 | 232,373.21 | 1,431,375.07 |
| Other Operating Excluded from "CAPS" | A-3 | 606,968.00 | |
| Municipal Debt Service | A-3 | 1,504,895.00 | 2,792,107.50 |
| Capital Improvements | A-3 | 1,330,000.00 | 450,000.00 |
| Open Space Tax | A-22 | 431,849.99 | 432,484.12 |
| County Tax | A-25 | 9,077,750.39 | 8,796,435.43 |
| County Share of Added Taxes | A-25 | 15,892.87 | 18,510.61 |
| Local District School Tax | A-27 | 28,519,679.50 | 27,826,274.00 |
| Regional District School Tax | A-28 | 14,041,436.00 | 13,908,261.00 |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 66,521,705.32</u> | <u>\$ 65,878,193.94</u> |
| Excess in Revenue | | \$ 1,435,437.19 | \$ 2,008,092.52 |
| Fund Balance, January 1 | A | \$ 2,880,399.55 | \$ 2,047,307.03 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 1,228,251.00 | 1,175,000.00 |
| Fund Balance, December 31 | A | <u>\$ 3,087,585.74</u> | <u>\$ 2,880,399.55</u> |

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

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

| REF. | ANTICIPATED | | REALIZED | EXCESS OR (DEFICIT) |
|--|-------------|------------------|-----------------|---------------------------|
| | BUDGET | NJS 40A: 4-87 | | |
| Fund Balance Anticipated | A-1 | \$ 1,228,251.00 | \$ 1,228,251.00 | |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-13 | \$ 25,000.00 | \$ 25,250.00 | \$ 250.00 |
| Fees and Permits: | | | | |
| Construction Code Official | A-13 | 425,000.00 | 278,836.00 | (146,164.00) |
| Other | A-2 | 20,000.00 | 77,608.59 | 57,608.59 |
| Municipal Court: | | | | |
| Fines and Costs | A-13 | 175,000.00 | 216,205.01 | 41,205.01 |
| Interest and Costs on Taxes | A-13 | 115,000.00 | 131,948.01 | 16,948.01 |
| Interest on Investments and Deposits | A-13 | 35,000.00 | 174,391.75 | 139,391.75 |
| Energy Receipts Tax | A-13 | 968,752.00 | 968,752.00 | |
| Garden State Trust Fund | A-13 | 28,137.00 | 28,137.00 | |
| Municipal Relief Aid | A-13 | 50,186.98 | 50,186.98 | |
| Franchise Fee | A-13 | 17,967.56 | 18,907.57 | 940.01 |
| Court Rent | A-13 | 333,930.00 | 338,139.00 | 4,209.00 |
| Shared Service-North Hunterdon Voorhees Police Class III | A-13 | 188,500.00 | 182,319.25 | (6,180.75) |
| Shared Service-North Hunterdon Voorhees SRO | A-13 | 145,000.00 | 145,000.00 | |
| Shared Service-Local School SRO | A-13 | 47,500.00 | 47,500.00 | |
| North Hunterdon Agreement | A-13 | 3,500.00 | 3,243.61 | (256.39) |
| Fire Prevention Bureau | A-13 | 75,000.00 | 69,918.00 | (5,082.00) |
| Division of Fire Safety Act LEA | A-13 | 32,000.00 | 50,683.41 | 18,683.41 |
| Reserve for Debt Service-General Capital | A-13 | 189,840.93 | 189,840.93 | |
| Reserve for Open Space Maintenance of Land | A-13 | 187,738.54 | 187,738.54 | |
| Clean Communities Grant | A-26 | 37,568.03 | 42,136.70 | 79,704.73 |
| Body Armor Replacement Fund | A-26 | 2,057.80 | 2,057.80 | |
| Recycling Tonnage Grant | A-26 | 7,935.38 | 7,546.82 | 15,482.20 |
| Alcohol Ed & Rehab Grant | A-26 | 7,738.68 | 7,738.68 | |
| Drive Sober or Get Pulled Over | A-26 | | 10,238.06 | 10,238.06 |
| EMAA | A-26 | 10,000.00 | 10,000.00 | |
| ARP Firefighter Grant | A-26 | 49,000.00 | 49,000.00 | |
| Opioid Settlement | A-26 | 28,143.30 | 28,143.30 | |
| Distracted Driving | A-26 | | 19,942.10 | 19,942.10 |
| Click It Or Ticket | A-26 | | 5,685.34 | 5,685.34 |
| Sustainable NJ Grant | A-26 | | 2,000.00 | 2,000.00 |
| Safe Passage Event DWI | A-26 | | 2,380.00 | 2,380.00 |
| <u>Total Miscellaneous Revenues</u> | A-1 | \$ 3,205,496.20 | \$ 89,929.02 | \$ 3,416,977.86 |
| Receipts From Delinquent Taxes | A-1:A-8:A-9 | \$ 383,000.00 | | \$ 379,645.85 |
| Amt. to be Raised by Taxes for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | A-2:A-8 | \$ 10,290,785.35 | | \$ 10,677,990.14 |
| <u>BUDGET TOTALS</u> | | \$ 15,107,532.55 | \$ 89,929.02 | \$ 15,702,864.85 |
| Non-Budget Revenues | A-2 | | | \$ 264,244.22 |
| | | \$ 15,107,532.55 | \$ 89,929.02 | \$ 15,967,109.07 |
| REF. | A-3 | | A-3 | |

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

TOWNSHIP OF CLINTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

REF.

ANALYSIS OF REALIZED REVENUE

| | | |
|--|---------|-------------------------|
| Allocation of Current Tax Collections: | | |
| Revenue From Collections | A-1:A:8 | \$ 61,906,162.39 |
| Allocated To: | | |
| County Taxes | A-8 | \$ 9,093,643.26 |
| Local District School Taxes | A-8 | 28,478,260.00 |
| Regional District School Taxes | A-8 | 13,986,784.00 |
| Municipal Open Space | A-8 | <u>431,849.99</u> |
| Balance for Support of Municipal Budget Appropriations | | \$ 9,915,625.14 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>762,365.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>\$ 10,677,990.14</u> |
| Other - Fees and Permits: | | |
| Board of Health | A-13 | \$ 19,045.00 |
| Zoning Board | A-13 | 16,045.00 |
| Police | A-13 | 13,160.00 |
| Planning Board | A-13 | 12,594.78 |
| Clerk/Registrar/Other | A-13 | 9,037.12 |
| Board of Adjustments | A-13 | 7,366.69 |
| Tax Assessor | A-13 | <u>360.00</u> |
| | A-2 | <u>\$ 77,608.59</u> |

ANALYSIS OF NON-BUDGET REVENUE

| | | |
|--|-------------|----------------------|
| Miscellaneous Revenue Not Anticipated: | | |
| Contract Host Fee | | \$ 109,044.45 |
| J.I.F. Reimbursement | | 54,614.44 |
| PILOT Fees | | 52,070.82 |
| Cell Tower Rent | | 30,030.34 |
| Other Miscellaneous | | 16,873.20 |
| Senior/Veteran Deduction Admin Fee | | 1,207.50 |
| DMV Inspection Fines | | 300.00 |
| Hotel Tax | | <u>103.47</u> |
| <u>Total Non-Budget Revenue</u> | A-1:A-2:A-4 | <u>\$ 264,244.22</u> |

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

TOWNSHIP OF CLINTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|-----------------------------------|----------------|------------------------------|--------------------|------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| Mayor and Council: | | | | | |
| Salaries and Wages | \$ 16,000.00 | \$ 16,500.00 | \$ 16,155.00 | \$ 345.00 | \$ |
| Other Expenses | 15,000.00 | 14,500.00 | 11,799.25 | 2,700.75 | |
| Administration: | | | | | |
| Salaries and Wages | 175,000.00 | 74,000.00 | 68,212.95 | 5,787.05 | |
| Other Expenses | 67,000.00 | 168,000.00 | 159,786.63 | 8,213.37 | |
| Clerk: | | | | | |
| Salaries and Wages | 74,000.00 | 74,000.00 | 60,460.72 | 13,539.28 | |
| Other Expenses | 40,000.00 | 35,000.00 | 29,944.58 | 5,055.42 | |
| Information Technology: | | | | | |
| Other Expenses | 55,000.00 | 55,000.00 | 26,356.22 | 28,643.78 | |
| Elections: | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 6,731.55 | 3,268.45 | |
| Financial Administration: | | | | | |
| Salaries and Wages | 166,000.00 | 166,000.00 | 165,574.00 | 426.00 | |
| Other Expenses | 55,000.00 | 42,236.23 | 7,779.88 | 34,456.35 | |
| Audit | 35,000.00 | 35,000.00 | 29,300.00 | 5,700.00 | |
| Tax Collector: | | | | | |
| Salaries and Wages | 81,000.00 | 82,000.00 | 81,937.00 | 63.00 | |
| Other Expenses | 12,100.00 | 16,100.00 | 15,638.26 | 461.74 | |
| Tax Assessment Administration: | | | | | |
| Salaries and Wages | 91,500.00 | 91,500.00 | 91,105.00 | 395.00 | |
| Other Expenses | 16,100.00 | 16,100.00 | 8,390.21 | 7,709.79 | |
| Legal Services: | | | | | |
| Other Expenses | 195,000.00 | 195,000.00 | 174,510.50 | 20,489.50 | |
| Engineering Services and Costs: | | | | | |
| Other Expenses | 50,000.00 | 50,000.00 | 37,397.23 | 12,602.77 | |
| Planning Board: | | | | | |
| Salaries and Wages | 75,550.00 | 65,550.00 | 60,411.65 | 5,138.35 | |
| Other Expenses | 28,250.00 | 38,250.00 | 34,383.30 | 3,866.70 | |
| Historical Commission: | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Board of Adjustment: | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 936.50 | 1,063.50 | |
| Zoning Officer: | | | | | |
| Salaries and Wages | 11,800.00 | 11,800.00 | 6,638.79 | 5,161.21 | |
| Other Expenses | 1,000.00 | 1,000.00 | 201.60 | 798.40 | |
| Police: | | | | | |
| Salaries and Wages | 3,093,400.00 | 3,093,400.00 | 2,853,676.06 | 239,723.94 | |
| Other Expenses | 133,000.00 | 133,000.00 | 129,481.07 | 3,518.93 | |
| Community Emergency Response Team | | | | | |
| Other Expenses | 1,250.00 | 1,250.00 | 133.75 | 1,116.25 | |
| Division of Fire Safety: | | | | | |
| Fire Hydrant Rental | 100,000.00 | 111,600.00 | 82,870.50 | 28,729.50 | |
| Miscellaneous Other Expenses | 83,892.75 | 83,892.75 | 83,211.42 | 681.33 | |
| Fire Prevention: | | | | | |
| Salaries and Wages | 125,500.00 | 120,500.00 | 104,094.50 | 16,405.50 | |
| Other Expenses | 11,000.00 | 16,000.00 | 12,032.42 | 3,967.58 | |
| Emergency Management | | | | | |
| Aid to Volunteer Fire Companies | 15,000.00 | 15,000.00 | 15,000.00 | | |
| Aid to First Aid Organizations | 115,000.00 | 115,000.00 | 115,000.00 | | |
| Streets and Road Maintenance: | | | | | |
| Salaries and Wages | 999,600.00 | 999,600.00 | 883,038.70 | 116,561.30 | |
| Other Expenses | 131,100.00 | 131,100.00 | 102,043.12 | 29,056.88 | |
| Community Service Act: | | | | | |
| Other Expenses | 35,000.00 | 35,000.00 | 35,000.00 | | |
| Vehicle Maintenance: | | | | | |
| Other Expenses | 140,000.00 | 140,000.00 | 138,483.91 | 1,516.09 | |
| Snow Removal: | | | | | |
| Other Expenses | 60,000.00 | 60,000.00 | 38,488.00 | 21,512.00 | |
| Building and Grounds: | | | | | |
| Other Expenses | 175,000.00 | 175,000.00 | 146,733.32 | 28,266.68 | |
| Environmental Commission: | | | | | |
| Other Expenses | 1,500.00 | 1,500.00 | 1,223.95 | 276.05 | |
| Animal Regulation: | | | | | |
| Other Expenses | 10,000.00 | 15,000.00 | 14,869.98 | 130.02 | |
| Board of Health: | | | | | |
| Other Expenses | 8,000.00 | 5,500.00 | 999.72 | 4,500.28 | |

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

TOWNSHIP OF CLINTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--|-------------------------|------------------------------|------------------------|------------------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| Insurance: | | | | | |
| General Liability | \$ 350,000.00 | \$ 350,000.00 | \$ 327,803.00 | \$ 22,197.00 | \$ |
| Medical Waiver | 25,000.00 | 25,000.00 | 18,750.22 | 6,249.78 | |
| Employee Group Health | 1,049,792.00 | 1,038,192.00 | 799,748.36 | 238,443.64 | |
| Unemployment Compensation | 5,000.00 | 5,000.00 | 5,000.00 | | |
| Recreation Commission: | | | | | |
| Salaries and Wages | 86,000.00 | 86,000.00 | 85,883.85 | 116.15 | |
| Other Expenses | 55,000.00 | 55,000.00 | 12,391.28 | 42,608.72 | |
| Municipal Court: | | | | | |
| Salaries and Wages | 282,200.00 | 254,643.75 | 231,468.81 | 23,174.94 | |
| Other Expenses | 30,000.00 | 49,320.02 | 42,502.60 | 6,817.42 | |
| Prosecutor: | | | | | |
| Salaries and Wages | 41,000.00 | 41,000.00 | 32,458.32 | 8,541.68 | |
| Other Expenses | 40,000.00 | 58,000.00 | 57,849.94 | 150.06 | |
| Public Defender | | | | | |
| Other Expenses | 40,000.00 | 40,500.00 | 16,400.00 | 24,100.00 | |
| Construction Code Department: | | | | | |
| Salaries and Wages | 233,800.00 | 233,800.00 | 219,146.50 | 14,653.50 | |
| Other Expenses | 60,000.00 | 60,000.00 | 12,320.28 | 47,679.72 | |
| <u>UNCLASSIFIED:</u> | | | | | |
| Electricity | 57,000.00 | 57,000.00 | 45,718.72 | 11,281.28 | |
| Natural Gas | 28,000.00 | 28,000.00 | 21,948.90 | 6,051.10 | |
| Telephone | 80,000.00 | 80,000.00 | 75,486.81 | 4,513.19 | |
| Gasoline | 181,125.00 | 181,125.00 | 122,976.87 | 58,148.13 | |
| Water | 4,000.00 | 4,000.00 | 2,848.47 | 1,151.53 | |
| Street Lighting | 25,000.00 | 25,000.00 | 22,524.88 | 2,475.12 | |
| Sewer Services | 8,000.00 | 8,000.00 | 4,860.00 | 3,140.00 | |
| Reserve For Accumulated Absences | 75,000.00 | 75,000.00 | 75,000.00 | | |
| TOTAL OPERATIONS WITHIN "CAPS" | \$ 9,267,459.75 | \$ 9,267,459.75 | \$ 8,083,119.05 | \$ 1,184,340.70 | \$ |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"</u> | | | | | |
| Public Employees Retirement System | \$ 289,072.00 | \$ 289,072.95 | \$ 289,072.95 | \$ | \$ |
| Social Security System (O.A.S.I) | 420,000.00 | 420,000.00 | 406,252.95 | 13,747.05 | |
| DCRP | 7,000.00 | 7,000.00 | 4,375.14 | 2,624.86 | |
| Prior Year Bills | 1,107.25 | 1,107.25 | 1,107.25 | | |
| Police and Firemen's Retirement System | 776,221.36 | 776,220.41 | 776,220.36 | 0.05 | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS" | \$ 1,493,400.61 | \$ 1,493,400.61 | \$ 1,477,028.65 | \$ 16,371.96 | \$ |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN "CAPS" | \$ 10,760,860.36 | \$ 10,760,860.36 | \$ 9,560,147.70 | \$ 1,200,712.66 | \$ |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u> | | | | | |
| Clean Communities Grant | \$ 37,568.03 | \$ 79,704.73 | \$ 79,704.73 | \$ | \$ |
| Body Armor Grant | 2,057.80 | 2,057.80 | 2,057.80 | | |
| Drive Sober or Get Pulled Over (NJSA 40A:4-87 + \$10,238.06) | | 10,238.06 | 9,192.16 | 1,045.90 | |
| Sustainable NJ Grant (NJSA 40A:4-87 + \$2,000.00) | | 2,000.00 | 2,000.00 | | |
| American Rescue Plan (NJSA 40A:4-87 + \$1,265,160.39) | 49,000.00 | 49,000.00 | 49,000.00 | | |
| Alcohol Education & Rehabilitation | 7,738.68 | 7,738.68 | 7,738.68 | | |
| Safe Passage Event DWI (NJSA 40A:4-87 \$2,380.00) | | 2,380.00 | 2,380.00 | | |
| EMAA | 10,000.00 | 10,000.00 | 10,000.00 | | |
| Opioid Settlement | 28,143.30 | 28,143.30 | 28,143.30 | | |
| Matching Funds for Grants | 1.00 | 1.00 | | 1.00 | |
| Recycling Tonnage Grant (NJSA 40A:4-87 + \$7,546.62) | 7,935.38 | 15,482.20 | 15,482.20 | | |
| Click It or Ticket (NJSA 40A:4-87 + \$5,685.34) | | 5,685.34 | 5,685.34 | | |
| Distracted Driving Grant (NJSA 40A:4-87 + \$19,942.10) | | 19,942.10 | 19,942.10 | | |
| TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES | \$ 142,444.19 | \$ 232,373.21 | \$ 231,326.31 | \$ 1,046.90 | \$ |

TOWNSHIP OF CLINTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--|-------------------------|------------------------------|-------------------------|------------------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| <u>OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u> | | | | | |
| Group Insurance | \$ 159,808.00 | \$ 159,808.00 | \$ 159,808.00 | \$ | \$ |
| Police and Fireman's Retirement System of NJ | 47,285.00 | 47,285.00 | 47,285.00 | | |
| Gasoline | 18,875.00 | 18,875.00 | 18,875.00 | | |
| Shared Service North Hunterdon-Voorhees | | | | | |
| Police- Class III- Salaries & Wages | 188,500.00 | 188,500.00 | 182,319.25 | 6,180.75 | |
| Shared Service SRO Officer- North Hunterdon-Voorhees | | | | | |
| Salaries and Wages | 96,200.00 | 96,200.00 | 96,200.00 | | |
| Other Expenses | 48,800.00 | 48,800.00 | 48,471.22 | 328.78 | |
| Shared Service SRO Officer- Clinton Twp Local School | | | | | |
| Salaries and Wages | 47,500.00 | 47,500.00 | 47,500.00 | | |
| <u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u> | <u>\$ 606,968.00</u> | <u>\$ 606,968.00</u> | <u>\$ 600,458.47</u> | <u>\$ 6,509.53</u> | <u>\$</u> |
| <u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u> | <u>\$ 749,412.19</u> | <u>\$ 839,341.21</u> | <u>\$ 831,784.78</u> | <u>\$ 7,556.43</u> | <u>\$</u> |
| <u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u> | | | | | |
| Capital Improvement Fund | \$ 1,040,000.00 | \$ 1,040,000.00 | \$ 1,040,000.00 | \$ | \$ |
| Purchase of Police SUV | 70,000.00 | 70,000.00 | 59,207.21 | 10,792.79 | |
| Purchase of DPW Equipment | 220,000.00 | 220,000.00 | 155,677.22 | 64,322.78 | |
| <u>TOTAL CAPITAL IMPROVEMENTS</u> | <u>\$ 1,330,000.00</u> | <u>\$ 1,330,000.00</u> | <u>\$ 1,254,884.43</u> | <u>\$ 75,115.57</u> | <u>\$</u> |
| <u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u> | | | | | |
| Payment of Bond Principal | \$ 1,125,000.00 | \$ 1,125,000.00 | \$ 1,125,000.00 | \$ | \$ |
| Interest on Bonds | 379,895.00 | 379,895.00 | 379,895.00 | | |
| <u>TOTAL DEBT SERVICE</u> | <u>\$ 1,504,895.00</u> | <u>\$ 1,504,895.00</u> | <u>\$ 1,504,895.00</u> | <u>\$</u> | <u>\$</u> |
| <u>SUBTOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 14,345,167.55</u> | <u>\$ 14,435,096.57</u> | <u>\$ 13,151,711.91</u> | <u>\$ 1,283,384.66</u> | <u>\$</u> |
| <u>RESERVE FOR UNCOLLECTED TAXES</u> | <u>\$ 762,365.00</u> | <u>\$ 762,365.00</u> | <u>\$ 762,365.00</u> | <u>\$</u> | <u>\$</u> |
| <u>TOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 15,107,532.55</u> | <u>\$ 15,197,461.57</u> | <u>\$ 13,914,076.91</u> | <u>\$ 1,283,384.66</u> | <u>\$</u> |
| | REF. | A-2:A-3 | A-1:A-3 | A:A-1 | |
| Budget | A-3 | \$ 15,107,532.55 | | | |
| Amendment - NJSA 40A: 4-87 | A-2 | 89,929.02 | | | |
| | | <u>\$ 15,197,461.57</u> | | | |
| Reserve for Accounts Payable | A-11 | | \$ 345,886.30 | | |
| Reserve for Grants Appropriated | A-23 | | 232,372.21 | | |
| Reserve for Uncollected Taxes | A-2 | | 762,365.00 | | |
| Disbursements | A-4 | | 12,573,453.40 | | |
| | A-3 | | <u>\$ 13,914,076.91</u> | | |

TRUST FUND

"B"

TOWNSHIP OF CLINTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2023</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|---|-------------|--|--|
| Animal Control Fund: | | | |
| Cash | B-1 | \$ 1,052.48 | \$ 212.08 |
| | B | \$ 1,052.48 | \$ 212.08 |
| Other Funds: | | | |
| Cash | B-1 | \$ 3,770,424.36 | \$ 3,251,260.68 |
| | B | \$ 3,770,424.36 | \$ 3,251,260.68 |
| | | \$ 3,771,476.84 | \$ 3,251,472.76 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Animal Control Fund: | | | |
| Reserve for Animal Control | B-5 | \$ 1,052.48 | \$ 210.88 |
| Accounts Payable | B-7 | | 1.20 |
| | B | \$ 1,052.48 | \$ 212.08 |
| Other Funds: | | | |
| Reserves For: | | | |
| Various Deposits | B-2 | \$ 2,527,494.38 | \$ 2,286,868.70 |
| Open Space Deposits | B-3 | 1,127,129.08 | 920,354.88 |
| Accounts Payable | B-4 | 115,800.90 | 44,037.10 |
| | B | \$ 3,770,424.36 | \$ 3,251,260.68 |
| | | \$ 3,771,476.84 | \$ 3,251,472.76 |

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2:C-3 | \$ 3,743,261.97 | \$ 3,773,355.48 |
| Grants Receivable | C-11 | 37,500.00 | |
| Interfunds Receivable | C-10 | 200,000.00 | |
| Deferred Charges to Future Taxation: Funded | C-5 | <u>13,393,000.00</u> | <u>14,518,000.00</u> |
| | | <u>\$ 17,373,761.97</u> | <u>\$ 18,291,355.48</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Serial Bonds Payable | C-7 | \$ 13,393,000.00 | \$ 14,518,000.00 |
| Capital Improvement Fund | C-8 | 44,490.93 | 554,490.93 |
| Improvement Authorizations: Funded | C-9 | 2,793,185.35 | 2,126,978.54 |
| Reserve for: | | | |
| Contracts Payable | C-6 | 645,043.81 | 150,303.20 |
| Debt Service | C-4 | | 189,840.93 |
| Fund Balance | C-1 | <u>498,041.88</u> | <u>751,741.88</u> |
| | | <u>\$ 17,373,761.97</u> | <u>\$ 18,291,355.48</u> |

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

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR 2023</u> | <u>YEAR 2022</u> |
|---|-------------|-----------------------------|-----------------------------|
| Balance, January 1 | C | \$ <u>751,741.88</u> | \$ <u>751,741.88</u> |
| Decreased by: Improvement Authorizations | C-9 | \$ <u>(253,700.00)</u> | \$ _____ |
| Balance, December 31 | C | \$ <u><u>498,041.88</u></u> | \$ <u><u>751,741.88</u></u> |

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

| | BALANCE DECEMBER <u>31, 2023</u> | BALANCE DECEMBER <u>31, 2022</u> |
|-------------------------------------|--|--|
| <u>FIXED ASSETS</u> | | |
| Land | \$ 21,238,600.00 | \$ 21,238,600.00 |
| Buildings | 6,809,400.00 | 6,809,400.00 |
| Machinery and Equipment | <u>8,520,406.00</u> | <u>8,330,558.00</u> |
| <u>TOTAL FIXED ASSETS</u> | <u>\$ 36,568,406.00</u> | <u>\$ 36,378,558.00</u> |
| <u>RESERVE</u> | | |
| Investments in General Fixed Assets | <u>\$ 36,568,406.00</u> | <u>\$ 36,378,558.00</u> |

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF CLINTON

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Clinton is an instrumentality of the State of New Jersey established to function as a municipality. The Township Council consists of elected officials and is responsible for the fiscal control of the Township.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Except as noted below, the financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the school district, first aid organization, volunteer fire organization, or library, inasmuch as their activities are administered by a separate board.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to 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).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Township of Clinton conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Clinton are organized on the basis of funds and an account group 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 operation of a specific governmental activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created

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

General Fixed Assets Account Group - 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 State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues (Continued) - Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves 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 and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual 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.

Foreclosed Property - 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 in the General Fixed Assets Account Group 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 a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, 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 \$500.00 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. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inventory of all Township assets. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Township's most recent property revaluation. 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.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (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 interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the net pension liability in Statements of Revenues, Expenses, Changes in Net Assets (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 Assets 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 Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 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 OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

The New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2023 was not available, therefore the information dated June 30, 2022 is disclosed.

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The Township may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

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 lease receivable as an asset on their balance sheets or the Statement of Revenues.. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 87 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 87.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Recent GASB Accounting Pronouncements

GASB Statement 96, Subscription-Based Information Technology Arrangements (SBITAs). GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

D. Basic 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 in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 and certificates of deposit, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

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. 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.

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Clinton had the following cash and cash equivalents at December 31, 2023:

| <u>Fund</u> | <u>Cash In Bank</u> | <u>Reconciling Items</u> | <u>Total</u> |
|--------------------------------|-------------------------|------------------------------|-------------------------|
| Current/Grant Fund | \$ 9,361,056.71 | \$ 39,304.48 | \$ 9,400,361.19 |
| Animal Control Trust Fund | 1,053.56 | (1.08) | 1,052.48 |
| Other Trust Fund | 3,778,066.85 | (7,642.49) | 3,770,424.36 |
| General Capital Fund | <u>3,747,478.31</u> | <u>(4,216.34)</u> | <u>3,743,261.97</u> |
| <u>Total December 31, 2023</u> | <u>\$ 16,887,655.43</u> | <u>\$ 27,444.57</u> | <u>\$ 16,915,100.00</u> |

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$16,637,655.43 was covered by NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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 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 Local Government Services of the Department of Community Affairs 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

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

| Issued: | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|-----------------------------|-----------------------------|-----------------------------|
| Bonds, Loans, Notes: | | | |
| General | \$ <u>13,393,000.00</u> | \$ <u>14,518,000.00</u> | \$ <u>16,863,000.00</u> |
| Total Issued | \$ <u>13,393,000.00</u> | \$ <u>14,518,000.00</u> | \$ <u>16,863,000.00</u> |
| Less: | | | |
| Debt to be Paid By Open Space | \$ | \$ | \$ 214,140.50 |
| Reserve for Debt Service | | 189,840.93 | 339,840.93 |
| Cash on Hand to Pay Notes | | | <u>1,250,000.00</u> |
| Net Debt Issued and Authorized But Not Issued | \$ <u>13,393,000.00</u> | \$ <u>14,328,159.07</u> | \$ <u>16,309,018.57</u> |

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

| | |
|--|----------------------------|
| Equalized Valuation Basis* - December 31, 2023 | \$ <u>2,422,249,747.00</u> |
| 3-1/2 of Equalized Valuation Basis (Municipal) | \$ 84,778,741.15 |
| Net Debt | <u>13,393,000.00</u> |
| Remaining Borrowing Power | \$ <u>71,385,741.15</u> |

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

General Serial Bonds:

| | |
|---|-------------------------|
| \$10,594,000.00 of 2017 General Obligation Bonds due in annual Installments of \$350,000.00 to \$700,000.00 through January 2033 at variable interest rates of 2% to 4% | \$ 7,000,000.00 |
| \$7,068,000.00 of 2021 General Obligation Bonds due in annual Installments of \$250,000.00 to \$500,000.00 through March 2036 at variable interest rates of 1% to 3% | <u>6,393,000.00</u> |
| | \$ <u>13,393,000.00</u> |

Bonds and Notes Authorized But Not Issued

At December 31, 2023, the Township has \$0 authorized but not issued bonds and notes.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2023

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|-------------------------|------------------------|-------------------------|
| 2024 | \$ 1,150,000.00 | \$ 335,270.00 | \$ 1,485,270.00 |
| 2025 | 1,150,000.00 | 290,270.00 | 1,440,270.00 |
| 2026 | 1,200,000.00 | 248,020.00 | 1,448,020.00 |
| 2027 | 1,200,000.00 | 208,520.00 | 1,408,520.00 |
| 2028 | 1,200,000.00 | 172,520.00 | 1,372,520.00 |
| 2029 | 1,200,000.00 | 141,520.00 | 1,341,520.00 |
| 2030 | 1,200,000.00 | 115,520.00 | 1,315,520.00 |
| 2031 | 1,200,000.00 | 89,520.00 | 1,289,520.00 |
| 2032 | 1,200,000.00 | 63,207.50 | 1,263,207.50 |
| 2033 | 1,200,000.00 | 35,832.50 | 1,235,832.50 |
| 2034 | 500,000.00 | 18,332.50 | 518,332.50 |
| 2035 | 500,000.00 | 11,145.00 | 511,145.00 |
| 2036 | 493,000.00 | 3,697.50 | 496,697.50 |
| | <u>\$ 13,393,000.00</u> | <u>\$ 1,733,375.00</u> | <u>\$ 15,126,375.00</u> |

NOTE 4: SHORT-TERM DEBT

In accordance with N.J.S.A. 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

The Township had \$0.00 outstanding note(s) at year end.

NOTE 4: SHORT-TERM DEBT (CONTINUED)

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Township may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Township did not have any Tax Anticipation Notes in 2023.

NOTE 5: FUND BALANCES APPROPRIATED

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

Current Fund: \$1,378,251.00

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local and Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

| | BALANCE DECEMBER <u>31, 2023</u> | BALANCE DECEMBER <u>31, 2022</u> |
|---------------|--|--|
| Prepaid Taxes | \$ <u>475,019.24</u> | \$ <u>380,256.88</u> |

NOTE 7: 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 Fireman'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 Fireman's Retirement System (PFRS) - The Police and Fireman'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.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. 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.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. 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 invested 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 invested. 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 revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. Effective July 2018 PERS provides for employee contributions of 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. Since 2018, members contributed at a uniform rate of 10.00% of base salary.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by the Federal Insurance Contribution Act. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,280,242.00 for 2023, \$1,040,446.21 for 2022, and \$979,536.00 for 2021.

NOTE 7: PENSION PLANS (CONTINUED)

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, 2022. 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, 2022

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$3,447,907.00 for the Township’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Township’s proportion was 0.0228468698 percent, which was a decrease of 0.0019563046 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$474,249.00 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, 2022 billing was \$290,474.00.

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2022, 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 | \$ 24,885.00 | \$ 21,945.00 |
| Changes of assumptions | 10,683.00 | 516,288.00 |
| Net difference between projected and actual earnings on pension plan investments | 142,706.00 | |
| Changes in proportion and differences between Township contributions and proportionate share of contributions | <u>160,241.00</u> | <u>622,581.00</u> |
| | <u>\$ 338,515.00</u> | <u>\$ 1,160,814.00</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:

| Year Ended <u>June 30,</u> | <u>Amount</u> |
|-------------------------------|-----------------------|
| 2023 | (\$388,226.00) |
| 2024 | (243,147.00) |
| 2025 | (165,951.00) |
| 2026 | 67,844.00 |
| 2027 | <u>(92,819.00)</u> |
| | <u>(\$822,299.00)</u> |

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

| | |
|---------------------------|------------------|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | |
| Through 2026 | 2.75-6.55% |
| | Based on |
| | Years of Service |
| Investment Rate of Return | 7.00% |

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

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

NOTE 7: 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 June 30, 2022) 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 assets class included in PERS's target assets allocation as of June 30, 2022 asset 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% | 8.12% |
| Non-U.S. Developed Market Equity | 13.50% | 8.38% |
| Emerging Market Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Estate | 8.00% | 11.19% |
| Real Assets | 3.00% | 7.60% |
| High Yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasury's | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% 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 in determining the total pension liability.

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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, 2022 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2022 | | |
|--|--------------------------------|---|--------------------------------|
| | 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 | \$4,429,551.00 | \$3,447,907.00 | \$2,612,489.00 |

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)

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2023, for PFRS was not available, therefore the information dated June 30, 2022 is disclosed.

At June 30, 2022, the State reported a net pension liability of \$7,524,845.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2022, the Township's proportion was 0.0657401000 percent, which was an increase of 0.0034623500 percent from its proportion measured as of June 30, 2021.

NOTE 7: PENSION PLANS (CONTINUED)

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

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

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$85,944.00. The pension expense recognized in the Township's financial statements based on the April 1, 2023 billing was \$854,985.00.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 340,595.00 | \$ 460,999.00 |
| Changes of assumptions | 20,623.00 | 947,229.00 |
| Net difference between projected and actual earnings on pension plan investments | 689,055.00 | |
| Changes in proportion and differences between Township contributions and proportionate share of contributions | <u>423,978.00</u> | <u>450,586.00</u> |
| | <u>\$ 1,474,251.00</u> | <u>\$ 1,858,814.00</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 <u>June 30</u> | <u>Amount</u> |
|------------------------------|------------------------|
| 2023 | \$ (381,683.60) |
| 2024 | (245,840.60) |
| 2025 | (234,442.60) |
| 2026 | 473,276.40 |
| 2027 | (707.60) |
| Thereafter | <u>4,835.00</u> |
| | <u>\$ (384,563.00)</u> |

NOTE 7: 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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

| | <u>June 30, 2022</u> |
|---------------------------|---------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | |
| Through All Future Years | 3.25-16.25% |
| | Based on Years of Service |
| Thereafter | Not Applicable |
| Investment Rate of Return | 7.00% |

Employee mortality rates were based on the Pubs-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females For healthy annuitants, mortality rates were based on the Pubs-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on scale MP-2021.

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

NOTE 7: 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, 2022) 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, 2021 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% | 8.09% |
| Non-U.S. Developed Market Equity | 13.50% | 8.71% |
| Emerging Market Equity | 5.50% | 10.96% |
| Private Equity | 13.00% | 11.30% |
| Real Assets | 3.00% | 7.40% |
| Real Estate | 8.00% | 9.15% |
| High Yield | 2.00% | 3.75% |
| Private Credit | 8.00% | 7.60% |
| Investment Grade Credit | 8.00% | 1.68% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasury's | 5.00% | 0.95% |
| Risk Mitigation Strategies | 3.00% | 3.35% |

NOTE 7: 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% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% 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, 2022 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, 2022 | | |
|---|--------------------------------|---|--------------------------------|
| | 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 | \$10,324,901.00 | \$7,524,846.00 | \$5,193,786.00 |

NOTE 7: 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.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2022 and 2021 is 0.0657400500% and 0.0622778969% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2022 and 2021 was \$166,724.00 and \$11,214.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was \$154,508.00 and \$142,582.00, respectively.

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,339,202.00 and \$1,280,242.00, respectively. At June 30, 2021, 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 | \$7,524,845.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township | <u>1,339,202.00</u> |
| | <u><u>\$8,864,047.00</u></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 8: COMPENSATED ABSENCES

The Township only allows a carryover of vacation days if prior approval has been obtained from the Township Council. Unused sick days are available to be carried over into a following year up to a maximum of 90 days for all Township employees, except the Police Department employees, who are entitled to accumulate 120 sick days. Employees that retire are entitled to be paid for their unused accumulated sick days at a rate equal to one-half their current pay rate. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and has not been determined, but is probably material.

NOTE 9: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims, or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 10: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2023, the Township does not believe that any material liabilities will result from such audits.

NOTE 11: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the years 2023 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, or by the issuance of refunding bonds per N.J.S. 40A:2-51, which may be funded from tax revenue through the establishment of a reserve.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

| <u>Year</u> | <u>Interest Earned</u> | <u>Appropriated & Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|------------------------|---|--------------------------|-----------------------|
| 2023 | \$ 1,060.82 | \$ 17,814.57 | \$ 6,833.62 | \$ 96,553.41 |
| 2022 | 260.32 | 22,406.15 | 5,374.40 | 84,511.64 |
| 2021 | 5.85 | 12,205.48 | 845.28 | 67,219.57 |

NOTE 13: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by National Plan Coordinators. The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 14: 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". 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 Entity is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

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.

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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

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

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

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

Contributions

As of December 31, 2023, there are no Township employees that are receiving OPEB, therefore no contributions were required to be made.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability

At June 30, 2022, the Plan reported a Liability of \$4,559,677 for the Township’s proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The Township’s proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

At June 30, 2022, the Township’s proportion was 0.028234 percent, which was an increase of 0.001559 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the State reported OPEB benefit of \$111,133.00. This OPEB benefit was based on the OPEB plans June 30, 2022 measurement date.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$235,467.00 | \$845,170.00 |
| Changes of assumptions | 608,508.00 | 1,556,130.00 |
| Net difference between projected and actual earnings on OPEB plan investments | 1,200.00 | |
| Changes in proportion | <u>871,271.00</u> | <u>1,424,699.00</u> |
| | <u>\$1,716,446.00</u> | <u>\$3,825,999.00</u> |

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Entity’s proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State’s actuarially calculated pension (benefit)/expense as follows:

| Year Ended | Amount |
|-----------------|--------------------------------|
| <u>June 30,</u> | |
| 2023 | (\$523,856.60) |
| 2024 | (524,221.60) |
| 2025 | (437,248.60) |
| 2026 | (256,530.60) |
| 2027 | (143,383.60) |
| 2028-2029 | <u>(224,312.00)</u> |
| | <u><u>(\$2,109,553.00)</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:

| | |
|--|-----------------|
| Inflation Rate | 2.50% |
| Salary Increases: | |
| Public Employees Retirement System (PERS): | |
| Initial Fiscal Year Applied | |
| Rate Through 2026 | 2.00% to 6.00% |
| Rate Thereafter | 3.00% to 7.00% |
| Police and Firemen’s Retirement System (PFRS): | |
| Rate for All Future Years | 3.25% to 15.25% |

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

| | |
|------|--|
| PERS | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021 |
| PFRS | Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021 |

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

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

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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.

Sensitivity of the Entity’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the entity’s as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2022 | | |
|--|----------------------------------|------------------------------------|----------------------------------|
| | 1.00% <u>Decrease (2.54%)</u> | At Discount <u>Rate (3.54%)</u> | 1.00% <u>Increase (4.54%)</u> |
| Township's proportionate share of the Net OPEB Liability | \$5,285,583.30 | \$4,559,676.79 | \$3,975,617.08 |

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Entity’s Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Entity’s as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2022 | | |
|--|--------------------------|--------------------------------------|--------------------------|
| | 1.00% <u>Decrease</u> | Healthcare Cost <u>Trend Rate</u> | 1.00% <u>Increase</u> |
| Township's proportionate share of the Net OPEB Liability | \$3,868,111.09 | \$4,559,676.79 | \$5,445,377.70 |

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 15: DEFERRED SCHOOL TAXES

New Jersey statutes provide for the deferral of liability for not more than 50% of the annual levy when school taxes are raised on a school year basis and such taxes have not been requisitioned by the school district.

LOCAL DISTRICT SCHOOL TAX

| | DECEMBER 31, 2023 | DECEMBER 31, 2022 |
|--------------------|-----------------------|-----------------------|
| Balance of Tax | \$14,956,251.00 | \$14,557,903.00 |
| Deferred | <u>12,800,000.00</u> | <u>12,841,419.50</u> |
| School Tax Payable | <u>\$2,156,251.00</u> | <u>\$1,716,483.50</u> |

REGIONAL DISTRICT SCHOOL TAX

| | DECEMBER 31, 2023 | DECEMBER 31, 2022 |
|--------------------|----------------------|----------------------|
| Balance of Tax | \$6,993,391.99 | \$6,904,130.51 |
| Deferred | <u>6,500,000.00</u> | <u>6,554,652.00</u> |
| School Tax Payable | <u>\$493,391.99</u> | <u>\$0.00</u> |

NOTE 16: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through May 28, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that no subsequent events need to be disclosed.

NOTE 17: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2023:

| | Balance December 31, 2022 | <u>Additions</u> | <u>Deletions</u> | Balance December 31, 2023 |
|-------------------------|---------------------------------|---------------------|---------------------|---------------------------------|
| Land | \$21,238,600.00 | | | \$21,238,600.00 |
| Buildings | 6,809,400.00 | | | 6,809,400.00 |
| Machinery and Equipment | <u>8,330,558.00</u> | <u>\$326,691.00</u> | <u>\$136,843.00</u> | <u>8,520,406.00</u> |
| | <u>\$36,378,558.00</u> | <u>\$326,691.00</u> | <u>\$136,843.00</u> | <u>\$36,568,406.00</u> |

NOTE 18: LEASE RECEIVABLE

The Township, as lessor, has entered into the following lease:

Cell Tower – Verizon Wireless. The current lease term expires 05/31/2024 with four remaining five extension available. Lessee may terminate this Agreement upon written notice to Lessor in the event that, through no fault of Lessee, (i) any applications for such Government Approvals should be finally rejected; (ii) any Government Approval issued to Lessee is canceled, expires, lapses or is otherwise withdrawn or terminated by any Government Entity; (iii) receipt of any necessary Government Approvals are unreasonably delayed; Or (iv) the results of any structural analysis, soil boring tests or environmental studies or analysis are unsatisfactory for construction of the Facility. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is .9776% and is equal to the incremental borrowing rate of the Lessor.

Under the provisions of GASB 87, in 2023 the Township would recognize lease revenue of \$20,615 and \$12,176 of interest revenue under the lease.

Total future minimum lease payments to be received under the lease agreement under GASB 87 are as follows:

| <u>Year Ending</u> | <u>Lease Receivable</u> | | |
|--------------------|-------------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | \$ 21,778.00 | \$ 11,833.00 | \$ 33,611.00 |
| 2025 | 22,980.00 | 11,471.00 | 34,451.00 |
| 2026 | 24,223.00 | 11,089.00 | 35,312.00 |
| 2027 | 25,508.00 | 10,687.00 | 36,195.00 |
| 2028 - 2032 | 148,378.00 | 46,632.00 | 195,010.00 |
| 2033 - 2037 | 187,556.00 | 33,079.00 | 220,635.00 |
| 2038 - 2042 | 233,544.00 | 16,085.00 | 249,629.00 |
| 2043 - 2044 | 75,424.00 | 925.00 | 76,349.00 |
| | <u>\$739,391.00</u> | <u>\$141,801.00</u> | <u>\$881,192.00</u> |

As discussed in Note 1, 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 lease receivable as an asset on their balance sheets or revenue of the Statement of Revenues.

TOWNSHIP OF CLINTON
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

| | <u>REF.</u> | | | | |
|--|-------------|------------------|----------------------|-------------------|-------------------|
| Balance, December 31, 2022 | A | | \$ 6,601,210.83 | \$ | \$ 1,366,520.79 |
| Increased by Receipts: | | | | | |
| Taxes Receivable | A-8 | \$ 61,821,818.24 | | | |
| State of New Jersey-Senior Citizens and Veterans Deductions | A-7 | 60,375.00 | | | |
| Tax Title Liens Receivable | A-9 | 16,369.40 | | | |
| Revenue Accounts Receivable | A-13 | 3,184,605.65 | | | |
| Miscellaneous Revenue Not Anticipated | A-2 | 264,244.22 | | | |
| Prepaid Taxes | A-18 | 475,019.24 | | | |
| Grants Receivable | A-26 | | | 128,217.81 | |
| Grants Unappropriated | A-21 | | | 51,045.88 | |
| Due General Capital Fund | A-29 | | | 200,000.00 | |
| Reserve for Garden State Trust Unappropriated | A-19 | 6,512.00 | | | |
| Reserve for Municipal Relief Fund Unappropriated | A-12 | 100,352.72 | | | |
| Due State of NJ - Construction Code Official | A-20 | 16,035.00 | | | |
| Due State of NJ - Marriage Licenses | A-24 | 700.00 | | | |
| Petty Cash | A-5 | 250.00 | | | |
| | | <u>250.00</u> | | | |
| | | | <u>65,946,281.47</u> | | <u>379,263.69</u> |
| | | | \$ 72,547,492.30 | \$ | \$ 1,745,784.48 |
| Decreased by Disbursements: | | | | | |
| Appropriations | A-3 | \$ 12,573,453.40 | | | |
| Appropriation Reserves | A-14 | 296,363.43 | | | |
| Change Fund | A-6 | 500.00 | | | |
| Local District School Taxes Payable | A-27 | 28,079,912.00 | | | |
| County Taxes Payable | A-25 | 9,096,261.00 | | | |
| Municipal Open Space Taxes Payable | A-22 | 431,849.99 | | | |
| Regional District School Taxes Payable | A-28 | 13,897,522.52 | | | |
| Due State of NJ - Marriage Licenses | A-24 | 575.00 | | | |
| Due State of NJ - Construction Code Official | A-20 | 17,822.00 | | | |
| Accounts Payable | A-11 | 4,318.28 | | | |
| Petty Cash | A-5 | 250.00 | | | |
| Reserve for Municipal Relief Fund Unappropriated | A-12 | 50,186.98 | | | |
| Reserve for Grants-Appropriated | A-23 | | | <u>443,900.99</u> | |
| | | | | | <u>443,900.99</u> |
| | | | <u>64,449,014.60</u> | | |
| Balance, December 31, 2023 | A | | \$ 8,098,477.70 | \$ | \$ 1,301,883.49 |

"A-5"

TOWNSHIP OF CLINTON
CURRENT FUND
SCHEDULE OF PETTY CASH

OFFICE

Finance Department

| | <u>INCREASED</u> | <u>DECREASED</u> |
|--|------------------|------------------|
| | \$ <u>250.00</u> | \$ <u>250.00</u> |
| | \$ <u>250.00</u> | \$ <u>250.00</u> |

REF.

A-4

A-4

"A-6"

SCHEDULE OF CHANGE FUND

OFFICE

Tax Collector
Township Clerk
Municipal Court
Recreation

| | <u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022</u> | <u>INCREASED BY:</u> <u>RECEIPTS</u> | <u>BALANCE</u> <u>DECEMBER 31,</u> <u>2023</u> |
|--|--|---|--|
| | \$ 100.00 | \$ | \$ 100.00 |
| | 50.00 | | 50.00 |
| | 100.00 | | 100.00 |
| | 30.00 | 500.00 | 530.00 |
| | \$ <u>280.00</u> | \$ <u>500.00</u> | \$ <u>780.00</u> |

REF.

A

A-4

A

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

| | <u>REF.</u> | | |
|---|-------------|-----------------|---------------------------|
| Balance, December 31, 2022 (Due From) | A | | \$ 1,875.00 |
| Increased by: | | | |
| Senior & Veteran Deductions Per Tax Billing | A-7 | \$ 60,250.00 | |
| Deductions Allowed by Collector | A-7 | <u>1,500.00</u> | |
| | | | \$ <u>61,750.00</u> |
| | | | \$ <u>63,625.00</u> |
| Decreased by: | | | |
| Received From State | A-4 | \$ 60,375.00 | |
| Senior and Veterans Deductions Disallowed | A-7 | <u>750.00</u> | |
| | | | <u>61,125.00</u> |
| Balance, December 31, 2023 (Due From) | A | | \$ <u><u>2,500.00</u></u> |

ANALYSIS OF STATE SHARE OF 2023 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

| | | | |
|---|-----|-----------------|----------------------------|
| Senior & Veteran Deductions Per Tax Billing | A-7 | \$ 60,250.00 | |
| Deductions Allowed by Collector | A-7 | 1,500.00 | |
| Deductions Disallowed by Collector | A-7 | <u>(750.00)</u> | |
| | A-8 | | \$ <u><u>61,000.00</u></u> |

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE DECEMBER 31, 2022 | 2023 LEVY | ADDED TAXES | 2022 | COLLECTIONS 2023 | CANCELED | TRANSFERRED TO TAX TITLE LIENS | BALANCE DECEMBER 31, 2023 |
|---|---------------------------------|------------------|----------------|---------------|---------------------|--------------|--------------------------------------|---------------------------------|
| Prior | \$ 395,606.23 | \$ | \$ | \$ | \$ 363,276.45 | \$ | \$ | \$ 32,329.78 |
| 2023 | | 62,271,883.65 | 108,806.94 | 380,256.88 | 61,525,905.51 | 65,384.12 | 8,198.99 | 400,945.09 |
| | \$ 395,606.23 | \$ 62,271,883.65 | \$ 108,806.94 | \$ 380,256.88 | \$ 61,889,181.96 | \$ 65,384.12 | \$ 8,198.99 | \$ 433,274.87 |
| REF. | A | | | A-2:A-18 | A-2 | | A-9 | A |
| Collector | | | | | | | | |
| Overpayments Applied | | | | | \$ 61,821,818.24 | | | |
| Senior Citizens and Veterans Deductions | | | | | 6,363.72 | | | |
| | | | | | 61,000.00 | | | |
| | | | | | \$ 61,889,181.96 | | | |

ANALYSIS OF 2023 PROPERTY TAX LEVY

| | | | | | | | | |
|--|--|--|--|--|--|--|--|------------------|
| TAX YIELD | | | | | | | | |
| General Property Tax | | | | | | | | \$ 62,271,883.65 |
| Added Taxes (54:4-63.1 et.seq.) | | | | | | | | 108,806.94 |
| | | | | | | | | \$ 62,380,690.59 |
| TAX LEVY | | | | | | | | |
| Local District School Tax (Abstract) | | | | | | | | \$ 28,478,260.00 |
| Regional District School Tax (Abstract) | | | | | | | | 13,986,784.00 |
| County Tax (Abstract) | | | | | | | | |
| County Library Tax (Abstract) | | | | | | | | |
| County Open Space (Abstract) | | | | | | | | |
| Due County for Added Taxes (54:4-63.1 et.seq.) | | | | | | | | 9,077,750.39 |
| Total County Taxes | | | | | | | | 15,892.87 |
| Municipal Open Space Tax | | | | | | | | 431,849.99 |
| Local Tax for Municipal Purposes (Abstract) | | | | | | | | 10,290,785.35 |
| Add: Additional Tax Levied | | | | | | | | 99,367.99 |
| Local Tax for Municipal Purposes Levied | | | | | | | | 10,390,153.34 |
| | | | | | | | | \$ 62,380,690.59 |

"A-9"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2022 | A | \$ 98,963.30 |
| Increased by: | | |
| Taxes Accrued | A-8 | 8,198.99 |
| | | \$ <u>107,162.29</u> |
| Decreased by: | | |
| Receipts | A-2:A-4 | <u>16,369.40</u> |
| Balance, December 31, 2023 | A | \$ <u><u>90,792.89</u></u> |

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

| | | |
|---|---|-----------------------------|
| Balance, December 31, 2022 and December 31, 2023 | A | \$ <u><u>291,600.00</u></u> |
|---|---|-----------------------------|

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | <u>REF.</u> | | |
|---|-------------|---------------|-----------------------------|
| Balance, December 31, 2022 | A | | \$ 301,328.70 |
| Increased by: | | | |
| Budget Appropriations | A-3 | \$ 345,886.30 | |
| Due State of New Jersey - Construction Code | A-20 | 4,418.00 | |
| Appropriation Reserves | A-14 | 12,546.18 | |
| | | | <u>362,850.48</u> |
| | | | \$ 664,179.18 |
| Decreased by: | | | |
| Disbursed | A-4 | \$ 4,318.28 | |
| Transferred to Appropriation Reserves | A-14 | 297,010.42 | |
| | | | <u>301,328.70</u> |
| Balance, December 31, 2023 | A | | \$ <u><u>362,850.48</u></u> |

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF FUND - UNAPPROPRIATED

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2022 | A | \$ 50,186.98 |
| Increased by: | | |
| Receipts | A-4 | <u>100,352.72</u> |
| | | \$ <u>150,539.70</u> |
| Decreased by: | | |
| Disbursements | A-4 | <u>50,186.98</u> |
| Balance, December 31, 2023 | A | \$ <u><u>100,352.72</u></u> |

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| <u>ACCOUNTS</u> | <u>REF.</u> | <u>ACCRUED IN 2023</u> | <u>COLLECTED</u> | <u>BALANCE DECEMBER 31, 2023</u> |
|--|-------------|----------------------------|------------------------|--|
| Clerk/Registrar: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-2 | \$ 25,250.00 | \$ 25,250.00 | \$ |
| Other Fees and Permits | A-2 | 9,037.12 | 9,037.12 | |
| Tax Collector: | | | | |
| Interest and Costs on Taxes | A-2 | 131,948.01 | 131,948.01 | |
| Construction Code Official | A-2 | 278,836.00 | 278,836.00 | |
| Planning Board: | | | | |
| Fees and Permits | A-2 | 12,594.78 | 12,594.78 | |
| Board of Adjustments: | | | | |
| Fees and Permits | A-2 | 7,366.69 | 7,366.69 | |
| Zoning Board: | | | | |
| Fees and Permits | A-2 | 16,045.00 | 16,045.00 | |
| Board of Health: | | | | |
| Other Licenses | A-2 | 19,045.00 | 19,045.00 | |
| Tax Assessor: | | | | |
| Fees and Permits | A-2 | 360.00 | 360.00 | |
| Municipal Court: | | | | |
| Fines & Costs | A-2 | 228,966.51 | 216,205.01 | 12,761.50 |
| Police: | | | | |
| Fees and Permits | A-2 | 13,160.00 | 13,160.00 | |
| Fire Prevention Bureau: | | | | |
| Fees and Permits | A-2 | 69,918.00 | 69,918.00 | |
| Division of Fire Safety Act LEA | A-2 | 50,683.41 | 50,683.41 | |
| Interest on Investments and Deposits | A-2 | 174,391.75 | 174,391.75 | |
| Energy Receipts Tax | A-2 | 968,752.00 | 968,752.00 | |
| Garden State Trust Fund | A-2 | 28,137.00 | 28,137.00 | |
| Municipal Relief Aid | A-2 | 50,186.98 | 50,186.98 | |
| Shared Service-NHV Police Class III | A-2 | 182,319.25 | 182,319.25 | |
| Shared Service-NHV SRO | A-2 | 145,000.00 | 145,000.00 | |
| Shared Service-Local School SRO | A-2 | 47,500.00 | 47,500.00 | |
| Court Rent | A-2 | 338,139.00 | 338,139.00 | |
| Reserve for Debt Service-General Capital | A-2 | 189,840.93 | 189,840.93 | |
| North Hunterdon Agreement | A-2 | 3,243.61 | 3,243.61 | |
| Reserve for Debt Service-Open Space | A-2 | 187,738.54 | 187,738.54 | |
| Franchise Fees | A-2 | 18,907.57 | 18,907.57 | |
| | | <u>\$ 3,197,367.15</u> | <u>\$ 3,184,605.65</u> | <u>\$ 12,761.50</u> |
| | <u>REF.</u> | | <u>A-4</u> | <u>A</u> |

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2022 | ACCOUNTS PAYABLE | BALANCE AFTER MODIFICATION | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|----------------------|----------------------------------|----------------------|----------------------|
| <u>SALARIES AND WAGES</u> | | | | | |
| Mayor and Council | \$ 823.00 | \$ | \$ 823.00 | \$ | \$ 823.00 |
| Administration | 9,575.24 | | 9,575.24 | | 9,575.24 |
| Clerk | 36.88 | | 36.88 | | 36.88 |
| Financial Administration | 7,839.00 | | 7,839.00 | | 7,839.00 |
| Collection of Taxes | 25.02 | | 25.02 | | 25.02 |
| Tax Assessment Administration | 117.01 | | 117.01 | | 117.01 |
| Planning Board | 198.59 | | 198.59 | | 198.59 |
| Zoning Officer | 876.75 | | 876.75 | | 876.75 |
| Police | 69,752.57 | | 69,752.57 | 9,882.16 | 59,870.41 |
| Fire Prevention | 16,463.52 | | 16,463.52 | 2,690.50 | 13,773.02 |
| Streets and Road Maintenance | 91,685.46 | | 91,685.46 | 1,438.22 | 90,247.24 |
| Recreation Commission | 3,696.37 | | 3,696.37 | | 3,696.37 |
| Municipal Court | 89,191.24 | | 89,191.24 | 100.00 | 89,091.24 |
| Prosecutor | 7,733.47 | 3,333.33 | 11,066.80 | 3,333.33 | 7,733.47 |
| Construction Code Department | 16,158.37 | | 16,158.37 | 574.80 | 15,583.57 |
| <u>OTHER EXPENSES</u> | | | | | |
| Mayor and Council | 9,041.13 | | 9,041.13 | | 9,041.13 |
| Administration & Clerk | 38,268.63 | 20,386.33 | 58,654.96 | 29,577.60 | 29,077.36 |
| Information Technology | 38,815.23 | 6,137.82 | 44,953.05 | 1,287.49 | 43,665.56 |
| Elections | 5,041.89 | | 5,041.89 | | 5,041.89 |
| Financial Administration | 22,765.67 | 2,810.30 | 25,575.97 | 2,739.82 | 22,836.15 |
| Audit | 4,250.00 | | 4,250.00 | | 4,250.00 |
| Collection of Taxes | 1,386.11 | 104.27 | 1,490.38 | 545.57 | 944.81 |
| Tax Assessment Administration | 9,344.94 | 5,004.19 | 14,349.13 | 1,029.34 | 13,319.79 |
| Legal Services | 20,712.22 | 1,279.00 | 21,991.22 | 13,264.70 | 8,726.52 |
| Engineering Services | 14,666.50 | | 14,666.50 | 5,951.00 | 8,715.50 |
| Planning Board | 998.15 | 2,123.08 | 3,121.23 | 3,121.23 | |
| Board of Adjustments | 2,054.08 | 300.00 | 2,354.08 | 86.86 | 2,267.22 |
| Zoning Officer | 127.10 | | 127.10 | 33.00 | 94.10 |
| Police | 3,825.73 | 26,842.36 | 30,668.09 | 21,147.88 | 9,520.21 |
| Environmental Commission | 0.62 | 429.00 | 429.62 | 297.76 | 131.86 |
| Emergency Management | 652.86 | | 652.86 | | 652.86 |
| Division of Fire Safety-Fire Hydrant Rental | 28,644.50 | | 28,644.50 | 27,118.50 | 1,526.00 |
| Division of Fire Safety-Miscellaneous | 3,403.98 | 28,628.43 | 32,032.41 | 27,270.47 | 4,761.94 |
| Fire Prevention | 2,413.33 | 1,745.81 | 4,159.14 | 1,734.73 | 2,424.41 |
| Streets and Road Maintenance-Miscellaneous | 6,047.07 | 44,556.69 | 50,603.76 | 39,940.33 | 10,663.43 |
| Buildings and Grounds | 15,507.20 | 44,405.76 | 59,912.96 | 15,857.42 | 44,055.54 |
| Board of Health | 313.27 | 1,600.00 | 1,913.27 | 1,700.00 | 213.27 |
| Fleet Maintenance | 1,281.47 | 25,305.88 | 26,587.35 | 21,814.31 | 4,773.04 |
| Insurance-General Liability | 12,516.00 | | 12,516.00 | 644.00 | 11,872.00 |
| Insurance-Medical Waiver | 1,692.26 | | 1,692.26 | | 1,692.26 |
| Insurance-Employee Group Health | 79,973.67 | 3,589.12 | 83,562.79 | 3,589.12 | 79,973.67 |
| Recreation Commission | 31,081.22 | 5,050.28 | 36,131.50 | 1,080.21 | 35,051.29 |
| Municipal Court | 5,496.16 | 4,827.32 | 10,323.48 | 5,437.10 | 4,886.38 |
| Construction Code Department | 24,755.88 | 7,032.76 | 31,788.64 | 1,652.49 | 30,136.15 |
| Municipal Services Act | 4,000.00 | 24,000.00 | 28,000.00 | 28,000.00 | |
| Public Defender | 19,700.00 | 4,200.00 | 23,900.00 | 4,200.00 | 19,700.00 |
| Electricity | 19,773.59 | 2,970.88 | 22,744.47 | 3,835.56 | 18,908.91 |
| Natural Gas | 2,903.22 | 4,015.81 | 6,919.03 | 4,015.81 | 2,903.22 |
| Telephone | 2,829.15 | 4,696.35 | 7,525.50 | 7,257.41 | 268.09 |
| Sewer | 1,320.00 | | 1,320.00 | | 1,320.00 |
| Gasoline | 363.92 | 19,557.03 | 19,920.95 | 14,160.14 | 5,760.81 |
| Water | 422.56 | | 422.56 | 422.13 | 0.43 |
| Street Lighting | 4,226.97 | 1,509.27 | 5,736.24 | 1,509.27 | 4,226.97 |
| DCRP | 261.31 | 569.35 | 830.66 | 569.35 | 261.31 |
| Social Security Systems (O.A.S.I) | 18,710.30 | | 18,710.30 | | 18,710.30 |
| | <u>\$ 773,760.38</u> | <u>\$ 297,010.42</u> | <u>\$ 1,070,770.80</u> | <u>\$ 308,909.61</u> | <u>\$ 761,861.19</u> |

REF. A A-11 A-1

| | | | | |
|------------------|------|--|----------------------|--|
| Disbursements | A-4 | | \$ 296,363.43 | |
| Accounts Payable | A-11 | | <u>12,546.18</u> | |
| | | | <u>\$ 308,909.61</u> | |

"A-15"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

| | <u>REF.</u> | |
|---|-------------|----------------------|
| Balance, December 31, 2022 and December 31, 2023 | A | \$ <u>120,392.00</u> |

"A-16"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - GRANTS

| | | |
|--------------------------------------|------|----------------------|
| Balance, December 31, 2022 | A | \$ 75,920.90 |
| Increased by: | | |
| Transferred from Grants Appropriated | A-23 | <u>798,424.28</u> |
| | | \$ <u>874,345.18</u> |
| Decreased by: | | |
| Disbursed | A-23 | <u>75,920.90</u> |
| Balance, December 31, 2023 | A | \$ <u>798,424.28</u> |

"A-17"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

| | <u>REF.</u> | |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2022 | A | \$ <u>6,363.72</u> |
| Decreased by: | | |
| Applied to Receivable | A-8 | \$ <u>6,363.72</u> |

"A-18"

SCHEDULE OF PREPAID TAXES

| | | |
|----------------------------|-----|-----------------------------|
| Balance, December 31, 2022 | A | \$ 380,256.88 |
| Increased by: | | |
| Collection of 2024 Taxes | A-4 | <u>475,019.24</u> |
| | | \$ <u>855,276.12</u> |
| Decreased by: | | |
| Application to 2023 Taxes | A-8 | <u>380,256.88</u> |
| Balance, December 31, 2023 | A | \$ <u><u>475,019.24</u></u> |

"A-19"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR GARDEN STATE TRUST UNAPPROPRIATED

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Increased by: | | |
| Receipts | A-4 | \$ <u>6,512.00</u> |
| Balance, December 31, 2023 | A | \$ <u><u>6,512.00</u></u> |

"A-20"

SCHEDULE OF DUE STATE OF NEW JERSEY - CONSTRUCTION CODE OFFICIAL

| | | |
|----------------------------|------|---------------------|
| Balance, December 31, 2022 | A | \$ 6,205.00 |
| Increased by: | | |
| Receipts | A-4 | \$ <u>16,035.00</u> |
| | | \$ <u>22,240.00</u> |
| Decreased by: | | |
| Disbursements | A-4 | \$ 17,822.00 |
| Accounts Payable | A-11 | <u>4,418.00</u> |
| | | \$ <u>22,240.00</u> |

"A-21"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

| | <u>REF.</u> | |
|---------------------------------------|-------------|----------------------------|
| Balance, December 31, 2022 | A | \$ 91,368.95 |
| Increased by: | | |
| Receipts | A-4 | <u>51,045.88</u> |
| | | \$ <u>142,414.83</u> |
| Decreased by: | | |
| Applied to Grants Receivable | A-26 | <u>91,368.95</u> |
| Balance, December 31, 2023 | A | <u><u>\$ 51,045.88</u></u> |
| <u>Analysis of Balance:</u> | | |
| Alcohol Education Rehabilitation Fund | | \$ 8,436.65 |
| Body Armor Grant | | 2,355.66 |
| Opioid Settlement Grant | | 15,253.57 |
| EMAA | | 10,000.00 |
| Municipal Stormwater | | <u>15,000.00</u> |
| | | <u><u>\$ 51,045.88</u></u> |

"A-22"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

| | | |
|---------------|---------|----------------------|
| Increased by: | | |
| Tax Levy | A-1:A-8 | <u>\$ 431,849.99</u> |
| Decreased by: | | |
| Disbursements | A-4 | <u>\$ 431,849.99</u> |

TOWNSHIP OF CLINTON

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

| | BALANCE DECEMBER 31, 2022 | BUDGET APPROPRIATION | EXPENDED | ACCOUNTS PAYABLE | BALANCE DECEMBER 31, 2023 |
|--|---------------------------------|-------------------------|---------------|---------------------|---------------------------------|
| Drunk Driving Enforcement Fund | \$ 6,847.90 | \$ 79,704.73 | \$ 6,229.10 | \$ 5,343.34 | \$ 618.80 |
| Clean Communities Grant | 117,215.46 | | 14,474.09 | | 177,102.76 |
| NJ Highlands Grant | 7,497.09 | | 7,146.61 | | 350.48 |
| Body Armor Replacement Fund | 3,022.42 | 2,057.80 | 689.00 | (689.00) | 5,080.22 |
| Recycling Tonnage Grant | 15,351.58 | 15,482.20 | 1,959.50 | (140.00) | 29,014.28 |
| Alcohol Ed & Rehab Grant | 8,454.93 | 7,738.68 | 2,470.56 | 700.00 | 13,023.05 |
| ARP - LFRF | 1,045,531.56 | | 273,380.00 | 717,802.34 | 54,349.22 |
| Drive Sober or Get Pulled Over | 2,310.00 | 10,238.06 | 12,473.96 | | 74.10 |
| Impaired Driving Education Enforcement | 36,450.00 | | 34,483.75 | (513.30) | 2,479.55 |
| EMAA | | 10,000.00 | | | 10,000.00 |
| ARP Firefighter Grant | | 49,000.00 | 49,000.00 | | |
| Opioid Settlement | | 28,143.30 | 11,609.98 | | 16,533.32 |
| Distracted Driving | | 19,942.10 | 19,942.10 | | |
| Click It Or Ticket | | 5,685.34 | 5,685.34 | | |
| Sustainable NJ Grant | | 2,000.00 | 1,977.00 | | 23.00 |
| Safe Passage Event DWI | | 2,380.00 | 2,380.00 | | |
| | \$ 1,242,680.94 | \$ 232,372.21 | \$ 443,900.99 | \$ 722,503.38 | \$ 308,648.78 |
| | A | A-3:A-26 | A-4 | | A |
| Accounts Payable | | | | \$ 798,424.28 | |
| Accounts Payable - Prior Year | | | | (75,920.90) | |
| | | | | \$ 722,503.38 | |

REF.

A-16

A-16

"A-24"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - MARRIAGE LICENSES

| | <u>REF.</u> | | |
|----------------------------|-------------|----|----------------------|
| Increased by: | | | |
| Receipts | A-4 | \$ | 700.00 |
| Decreased by: | | | |
| Disbursements | A-4 | | <u>575.00</u> |
| Balance, December 31, 2023 | A | \$ | <u><u>125.00</u></u> |

"A-25"

SCHEDULE OF COUNTY TAXES PAYABLE

| | | | |
|----------------------------|---------|----|-------------------------|
| Balance, December 31, 2022 | A | \$ | 18,510.61 |
| Increased by: | | | |
| 2023 Levy | A-1:A-8 | \$ | 9,077,750.39 |
| Added and Omitted | A-1:A-8 | | <u>15,892.87</u> |
| | | | <u>9,093,643.26</u> |
| | | \$ | <u>9,112,153.87</u> |
| Decreased by: | | | |
| Disbursements | A-4 | | <u>9,096,261.00</u> |
| Balance, December 31, 2023 | A | \$ | <u><u>15,892.87</u></u> |

TOWNSHIP OF CLINTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | BALANCE DECEMBER 31, 2022 | BUDGET APPROPRIATION | RECEIPTS | UNAPPROPRIATED APPLIED | BALANCE DECEMBER 31, 2023 |
|---|---------------------------------|-------------------------|---------------|---------------------------|---------------------------------|
| Drive Sober or Get Pulled Over (Year End Holiday) | \$ 7,000.00 | \$ 10,238.06 | \$ 12,482.16 | \$ | 4,755.90 |
| Impaired Driving Education Enforcement | 36,450.00 | | 33,970.45 | | 2,479.55 |
| Body Armor Replacement Fund | | 2,057.80 | | 2,057.80 | |
| Clean Communities Grant | | 79,704.73 | 42,136.70 | 37,568.03 | |
| Recycling Tonnage Grant | | 15,482.20 | 7,935.38 | 7,546.82 | |
| Alcohol Education & Rehabilitation | | 7,738.68 | | 7,738.68 | |
| E/MAA | | 10,000.00 | | 10,000.00 | |
| ARP Firefighter Grant | | 49,000.00 | | | 49,000.00 |
| Opioid Settlement | | 28,143.30 | | 26,457.62 | |
| Distracted Driving | | 19,942.10 | 19,942.10 | | |
| Click It Or Ticket | | 5,685.34 | 5,685.34 | | |
| Sustainable NJ Grant | | 2,000.00 | 2,000.00 | | |
| Safe Passage Event DWI | | 2,380.00 | 2,380.00 | | |
| | \$ 43,450.00 | \$ 232,372.21 | \$ 128,217.81 | \$ 91,368.95 | \$ 56,235.45 |
| REF. | A | A-2-A-23 | A-4 | A-21 | A |

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

| | <u>REF.</u> | | |
|--|-------------|---------------------|-------------------------|
| Balance, December 31, 2022: | | | |
| School Tax Deferred | | \$ 12,841,419.50 | |
| School Tax Payable/(Prepaid) | A:A-27 | <u>1,716,483.50</u> | \$ 14,557,903.00 |
| Increased by: | | | |
| Levy | A-8 | | <u>28,478,260.00</u> |
| | | | \$ 43,036,163.00 |
| Decreased by: | | | |
| Disbursements | A-4 | | <u>28,079,912.00</u> |
| Balance, December 31, 2023: | | | |
| School Tax Deferred | | \$ 12,800,000.00 | |
| School Tax Payable/(Prepaid) | A:A-27 | <u>2,156,251.00</u> | \$ <u>14,956,251.00</u> |
| 2023 Liability for Local School District Tax | | | |
| Tax Paid | A-4 | | \$ 28,079,912.00 |
| Tax Payable/(Prepaid), December 31, 2023 | A-27 | | <u>2,156,251.00</u> |
| | | | \$ 30,236,163.00 |
| Less: | | | |
| Tax Payable/(Prepaid), December 31, 2022 | A-27 | | <u>1,716,483.50</u> |
| Amount Charged to 2023 Operation | A-1 | | \$ <u>28,519,679.50</u> |

"A-28"

TOWNSHIP OF CLINTON

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAXES PAYABLE

| | <u>REF.</u> | | |
|--|-------------|-------------------|-------------------------|
| Balance, December 31, 2022: | | | |
| School Tax Deferred | | \$ 6,554,652.00 | |
| School Tax Payable/(Prepaid) | A:A-28 | <u>349,478.51</u> | \$ 6,904,130.51 |
| Increased by: | | | |
| Levy | A-8 | | <u>13,986,784.00</u> |
| | | | \$ 20,890,914.51 |
| Decreased by: | | | |
| Disbursements | A-4 | | <u>13,897,522.52</u> |
| Balance, December 31, 2023: | | | |
| School Tax Deferred | | \$ 6,500,000.00 | |
| School Tax Payable/(Prepaid) | A:A-28 | <u>493,391.99</u> | \$ <u>6,993,391.99</u> |
| 2023 Liability for Local School District Tax | | | |
| Tax Paid | A-4 | | \$ 13,897,522.52 |
| Tax Payable/(Prepaid), December 31, 2023 | A-28 | | <u>493,391.99</u> |
| | | | \$ 14,390,914.51 |
| Less: | | | |
| Tax Payable/(Prepaid), December 31, 2022 | A-28 | | <u>349,478.51</u> |
| Amount Charged to 2023 Operation | A-1 | | \$ <u>14,041,436.00</u> |

TOWNSHIP OF CLINTON

GRANT FUND

SCHEDULE OF INTERFUND-DUE GENERAL CAPITAL FUND

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Increased by: | | |
| Receipts | A-4 | \$ <u>200,000.00</u> |
| Balance, December 31, 2023 | A | \$ <u><u>200,000.00</u></u> |

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF CASH - TREASURER

| <u>REF.</u> | <u>ANIMAL CONTROL</u> | <u>OTHER</u> |
|------------------------------------|-----------------------|------------------------|
| Balance, December 31, 2022 | \$ 212.08 | \$ 3,251,260.68 |
| Increased by Receipts: | | |
| Reserve for Animal Control | \$ 24,025.60 | |
| Due State of New Jersey | 2,396.40 | |
| Reserve for Various Trust Deposits | | 4,998,260.81 |
| Reserve for Open Space Deposits | | 443,421.26 |
| | <u>26,422.00</u> | <u>5,441,682.07</u> |
| | \$ 26,634.08 | \$ 8,692,942.75 |
| Decreased by Disbursements: | | |
| New Jersey State Board of Health | \$ 2,396.40 | |
| Expenditures Under R.S.4:19-15.11 | 23,184.00 | |
| Reserve for Accounts Payable | 1.20 | |
| Reserve for Various Trust Deposits | | 4,687,987.65 |
| Reserve for Open Space Deposits | | 234,530.74 |
| | <u>25,581.60</u> | <u>4,922,518.39</u> |
| Balance, December 31, 2023 | \$ <u>1,052.48</u> | \$ <u>3,770,424.36</u> |

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

| <u>ACCOUNT</u> | <u>BALANCE DECEMBER 31, 2022</u> | <u>INCREASES</u> | <u>DECREASES</u> | <u>BALANCE DECEMBER 31, 2023</u> |
|----------------------------------|--|------------------------|------------------------|--|
| State Unemployment | \$ 84,511.64 | \$ 18,875.39 | \$ 6,833.62 | \$ 96,553.41 |
| Recreation | 92,339.62 | 243,398.75 | 224,553.21 | 111,185.16 |
| COAH | 98,156.41 | 1,179.91 | | 99,336.32 |
| Tax Redemption | 165.52 | 167,830.38 | 167,764.65 | 231.25 |
| Escrows | 1,272,567.34 | 114,370.10 | 99,900.19 | 1,287,037.25 |
| Payroll Agency | 44,296.43 | 3,645,843.28 | 3,646,112.19 | 44,027.52 |
| Fire Department | 40,309.28 | 65,781.78 | 7,964.24 | 98,126.82 |
| K9 Unit | 3,050.43 | 13,711.75 | 4,308.32 | 12,453.86 |
| Trail Park | 935.25 | | | 935.25 |
| Engineering | 2,801.05 | 500.00 | 3,301.05 | |
| Storm Recovery | 31,906.66 | 1,600.00 | | 33,506.66 |
| Tax Premium | 165,100.00 | 57,600.00 | 111,600.00 | 111,100.00 |
| Police Outside Overtime | 56,614.97 | 259,062.60 | 243,821.25 | 71,856.32 |
| Police Seizure | 7,284.46 | 189,458.97 | 124,768.74 | 71,974.69 |
| Public Defender | 2,458.29 | 18,345.00 | 18,000.00 | 2,803.29 |
| Parking Offense Adjudication Act | 22.00 | | | 22.00 |
| Community Garden | 7,352.99 | | 7,351.50 | 1.49 |
| Windy Acres | 22,946.88 | 1,772.50 | | 24,719.38 |
| UCC Penalties | 57,331.06 | 2,500.00 | | 59,831.06 |
| Accumulated Absences | 20,453.80 | 75,000.00 | | 95,453.80 |
| Performance Guarantee | 97,458.47 | 10,000.00 | 18,000.00 | 89,458.47 |
| Engineering Escrow | 178,806.15 | 130,297.03 | 104,221.06 | 204,882.12 |
| Seizure of Funds | | 12,249.26 | 251.00 | 11,998.26 |
| | <u>\$ 2,286,868.70</u> | <u>\$ 5,029,376.70</u> | <u>\$ 4,788,751.02</u> | <u>\$ 2,527,494.38</u> |
| <u>REF.</u> | <u>B</u> | | | <u>B</u> |
| Receipts | B-1 | \$ 4,998,260.81 | | |
| Accounts Payable | B-4 | <u>31,115.89</u> | | |
| | | <u>\$ 5,029,376.70</u> | | |
| Disbursements | B-1 | | \$ 4,687,987.65 | |
| Accounts Payable | B-4 | | <u>100,763.37</u> | |
| | | | <u>\$ 4,788,751.02</u> | |

"B-3"

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

| | <u>REF.</u> | | |
|--------------------------------|-------------|------------------|------------------------|
| Balance, December 31, 2022 | B | | \$ 920,354.88 |
| Increased by: | | | |
| Receipts | B-1 | \$ 443,421.26 | |
| Accounts Payable | B-4 | <u>12,921.21</u> | |
| | | | <u>456,342.47</u> |
| | | | \$ 1,376,697.35 |
| Decreased by: | | | |
| Disbursements | B-1 | \$ 234,530.74 | |
| Transfer from Accounts Payable | B-4 | <u>15,037.53</u> | |
| | | | <u>249,568.27</u> |
| Balance, December 31, 2023 | B | | \$ <u>1,127,129.08</u> |

"B-4"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | | | |
|-----------------------------|-----|------------------|----------------------|
| Balance, December 31, 2022 | B | | \$ 44,037.10 |
| Increased by: | | | |
| Various Trust Deposits | B-2 | \$ 100,763.37 | |
| Open Space | B-3 | <u>15,037.53</u> | |
| | | | \$ <u>115,800.90</u> |
| | | | \$ 159,838.00 |
| Decreased by: | | | |
| Various Trust Deposits | B-2 | \$ 31,115.89 | |
| Open Space | B-3 | <u>12,921.21</u> | |
| | | | \$ <u>44,037.10</u> |
| Balance, December 31, 2023 | B | | \$ <u>115,800.90</u> |
| <u>Analysis of Balance:</u> | | | |
| Trust Other | | | \$ 100,763.37 |
| Open Space | | | <u>15,037.53</u> |
| | | | \$ <u>115,800.90</u> |

TOWNSHIP OF CLINTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2022 | B | \$ 210.88 |
| Increased by: | | |
| Receipts | B-1 | 24,025.60 |
| | | <u>\$ 24,236.48</u> |
| Decreased by: | | |
| Disbursements | B-1 | 23,184.00 |
| Balance, December 31, 2023 | B | <u>\$ 1,052.48</u> |

DOG LICENSE FEES COLLECTED

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------------|
| 2022 | \$ 25,256.00 |
| 2021 | <u>23,435.60</u> |
| | <u>\$ 48,691.60</u> |

"B-6"

TOWNSHIP OF CLINTON

TRUST FUND

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

| | <u>REF.</u> | |
|-----------------------------------|-------------|--------------------|
| Increased by: | | |
| State Registration Fees Collected | B-1 | \$ <u>2,396.40</u> |
| Decreased by: | | |
| Disbursements | B-1 | \$ <u>2,396.40</u> |

"B-7"

SCHEDULE OF ACCOUNTS PAYABLE - ANIMAL CONTROL FUND

| | | |
|----------------------------|-----|----------------|
| Balance, December 31, 2022 | B | \$ <u>1.20</u> |
| Decreased by: | | |
| Disbursements | B-1 | \$ <u>1.20</u> |

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|-----------------------------|-------------|-------------------|-------------------------------|
| Balance, December 31, 2022 | C | | \$ 3,773,355.48 |
| Increased by Receipts: | | | |
| Capital Improvement Fund | C-8 | \$ 1,040,000.00 | |
| Grants Receivable | C-11 | <u>112,500.00</u> | |
| | | | <u>1,152,500.00</u> |
| | | | \$ <u>4,925,855.48</u> |
| Decreased by Disbursements: | | | |
| Contracts Payable | C-6 | \$ 792,752.58 | |
| Reserve for Debt Service | C-4 | 189,840.93 | |
| Interfunds | C-10 | <u>200,000.00</u> | |
| | | | <u>1,182,593.51</u> |
| Balance, December 31, 2023 | C | | \$ <u><u>3,743,261.97</u></u> |

"C-3"

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

| | <u>BALANCE DECEMBER 31, 2023</u> |
|-----------------------------------|--|
| Capital Improvement Fund | \$ 44,490.93 |
| Reserve for Contracts Payable | 645,043.81 |
| Interfund Receivable | (200,000.00) |
| Grants Receivable | (37,500.00) |
| Improvement Authorizations Funded | 2,793,185.35 |
| Fund Balance | <u>498,041.88</u> |
| | <u>\$ 3,743,261.97</u> |

REF.

C

"C-4"

SCHEDULE OF RESERVE FOR DEBT SERVICE

| | | |
|--------------------------------|-----|-----------------------------|
| Balance, December 31, 2022 | C | \$ <u>189,840.93</u> |
| Decreased by: Disbursements | C-2 | \$ <u><u>189,840.93</u></u> |

"C-5"

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-----------------------------|
| Balance, December 31, 2022 | C | \$ | 14,518,000.00 |
| Decreased by: | | | |
| Bonds Paid | C-7 | | <u>1,125,000.00</u> |
| Balance, December 31, 2023 | C | \$ | <u><u>13,393,000.00</u></u> |

"C-6"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

| | | | |
|----------------------------|-----|----|--------------------------|
| Balance, December 31, 2022 | C | \$ | 150,303.20 |
| Increased by: | | | |
| Improvement Authorizations | C-9 | | <u>1,289,184.39</u> |
| | | \$ | <u>1,439,487.59</u> |
| Decreased by: | | | |
| Disbursements | C-2 | \$ | 792,752.58 |
| Canceled | C-9 | | <u>1,691.20</u> |
| | | | <u>794,443.78</u> |
| Balance, December 31, 2023 | C | \$ | <u><u>645,043.81</u></u> |

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

| PURPOSE | DATE OF ISSUE | AMOUNT OF ISSUE | OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2022 | DECREASED | BALANCE DECEMBER 31, 2023 |
|--------------------------|---------------|-----------------|-------------|---------------|---------------|---------------------------|-----------------|---------------------------|
| | | | DATE | AMOUNT | | | | |
| General Obligation Bonds | 1/5/17 | \$10,594,000.00 | 1/15/24 | \$ 700,000.00 | 5.00% | | | |
| | | | 1/15/25, 26 | 700,000.00 | 4.00% | | | |
| | | | 1/15/27-32 | 700,000.00 | 3.00% | | | |
| | | | 1/15/33 | 700,000.00 | 3.125% | \$ 7,700,000.00 | \$ 700,000.00 | \$ 7,000,000.00 |
| General Obligation Bonds | 3/17/21 | 7,068,000.00 | 3/15/24, 25 | 450,000.00 | 3.00% | | | |
| | | | 3/15/26-28 | 500,000.00 | 3.00% | | | |
| | | | 3/15/29-31 | 500,000.00 | 1.00% | | | |
| | | | 3/15/22 | 500,000.00 | 1.125% | | | |
| | | | 3/15/33 | 500,000.00 | 1.25% | | | |
| | | | 3/15/34 | 500,000.00 | 1.375% | | | |
| | | 3/15/35 | 500,000.00 | 1.50% | | | | |
| | | 3/15/36 | 493,000.00 | 1.500% | | | | |
| | | | | | | 6,818,000.00 | 425,000.00 | 6,393,000.00 |
| | | | | | | \$ 14,518,000.00 | \$ 1,125,000.00 | \$ 13,393,000.00 |
| | | | | | REF. | C | C-5 | C |

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2022 | C | \$ 554,490.93 |
| Increased by: | | |
| 2023 Budget Appropriation | C-2 | <u>1,040,000.00</u> |
| | | \$ <u>1,594,490.93</u> |
| Decreased by: | | |
| Improvement Authorizations | C-9 | <u>1,550,000.00</u> |
| Balance, December 31, 2023 | C | \$ <u><u>44,490.93</u></u> |

TOWNSHIP OF CLINTON
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | ORDINANCE DATE | AMOUNT | BALANCE DECEMBER 31, 2022 | | 2023 AUTHORIZATIONS | EXPENDED | CONTRACTS CANCELED | BALANCE DECEMBER 31, 2023 | |
|-------------------|----------------|-----------------|---------------------------|--------------|---------------------|-----------------|--------------------|---------------------------|----------|
| | | | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 1094-16 | 10/26/16 | \$ 3,016,000.00 | \$ 1,981,632.54 | \$ | \$ | \$ 3,785.00 | \$ | \$ 1,977,847.54 | \$ |
| 1103-17 / 1110-18 | 07/19/17 | 1,680,000.00 | 131,536.11 | | | 9,736.00 | | 121,800.11 | |
| 1155-21 | 07/14/21 | 330,000.00 | 4,696.80 | | | | 1,691.20 | 6,388.00 | |
| 1161-2022 | 01/26/22 | 55,000.00 | 5,000.00 | | | | | 5,000.00 | |
| 1163-2022 | 02/23/22 | 10,000.00 | 398.02 | | | | | 398.02 | |
| 1164-2022 | 03/09/22 | 25,000.00 | 1,086.41 | | | | | 1,086.41 | |
| 1170-2022 | 05/25/22 | 56,000.00 | 2,628.66 | | | | | 2,628.66 | |
| 1178-2022 | 11/09/22 | 75,000.00 | | | | | | | |
| 1185-2023 | 05/24/23 | 1,500,000.00 | | 1,500,000.00 | | 916,714.82 | | 583,285.18 | |
| 1186-2023 | 06/14/23 | 453,700.00 | | 453,700.00 | | 358,948.57 | | 94,751.43 | |
| | | | \$ 2,126,978.54 | \$ -0- | \$ 1,953,700.00 | \$ 1,289,184.39 | \$ 1,691.20 | \$ 2,793,185.35 | \$ -0- |
| | | | C | C | | C-6 | C-6 | C | C |
| | | | REF. | | | | | | |
| | | | C-11 | | \$ 150,000.00 | | | | |
| | | | C-8 | | 1,550,000.00 | | | | |
| | | | C-1 | | 253,700.00 | | | | |
| | | | | | \$ 1,953,700.00 | | | | |
| | | | Grants | | | | | | |
| | | | Capital Improvement Fund | | | | | | |
| | | | Fund Balance | | | | | | |

"C-10"

TOWNSHIP OF CLINTON

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS -
DUE GRANT FUND

| | <u>REF.</u> | |
|---------------------------------------|-------------|-----------------------------|
| Increased by: | | |
| Disbursements | C-2 | \$ <u>200,000.00</u> |
| Balance, December 31, 2023 (Due From) | C | \$ <u><u>200,000.00</u></u> |

"C-11"

SCHEDULE OF GRANTS RECEIVABLE

| | | |
|----------------------------|-----|----------------------------|
| Increased by: | | |
| Improvement Authorizations | C-9 | \$ 150,000.00 |
| Decreased by: | | |
| Receipts | C-2 | <u>112,500.00</u> |
| Balance, December 31, 2023 | C | \$ <u><u>37,500.00</u></u> |

PART II
TOWNSHIP OF CLINTON
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

| | <u>YEAR 2023</u> | | <u>YEAR 2022</u> | |
|--|-------------------------|----------------|-------------------------|----------------|
| | <u>AMOUNT</u> | <u>%</u> | <u>AMOUNT</u> | <u>%</u> |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 1,228,251.00 | 1.81% | \$ 1,175,000.00 | 1.73% |
| Miscellaneous - From Other Than Local Property Tax Levies | 4,443,083.27 | 6.54% | 5,898,254.86 | 8.69% |
| Collection of Delinquent Taxes and Tax Title Liens | 379,645.85 | 0.56% | 460,845.14 | 0.68% |
| Collections of Current Tax Levy | <u>61,906,162.39</u> | <u>91.09%</u> | <u>60,352,186.46</u> | <u>88.90%</u> |
| <u>Total Revenue</u> | <u>\$ 67,957,142.51</u> | <u>100.00%</u> | <u>\$ 67,886,286.46</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 14,435,096.57 | 21.70% | \$ 14,896,228.78 | 22.61% |
| County Taxes | 9,093,643.26 | 13.67% | 8,814,946.04 | 13.38% |
| Local School District Taxes | 28,519,679.50 | 42.87% | 27,826,274.00 | 42.23% |
| Municipal Open Space Taxes | 431,849.99 | 0.65% | 432,484.12 | 0.66% |
| Regional District School Tax | <u>14,041,436.00</u> | <u>21.11%</u> | <u>13,908,261.00</u> | <u>21.11%</u> |
| <u>Total Expenditures</u> | <u>\$ 66,521,705.32</u> | <u>100.00%</u> | <u>\$ 65,878,193.94</u> | <u>100.00%</u> |
| Excess/(Deficit) in Revenue | <u>\$ 1,435,437.19</u> | | <u>\$ 2,008,092.52</u> | |
| Fund Balance - January 1 | <u>\$ 2,880,399.55</u> | | <u>\$ 2,047,307.03</u> | |
| Less: Utilization as Anticipated Revenue | <u>\$ 1,228,251.00</u> | | <u>\$ 1,175,000.00</u> | |
| Fund Balance, December 31 | <u>\$ 3,087,585.74</u> | | <u>\$ 2,880,399.55</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--------------------------|----------------|----------------|----------------|
| Tax Rate | <u>\$2.889</u> | <u>\$2.808</u> | <u>\$2.733</u> |
| Appointment of Tax Rate: | | | |
| Municipal | \$0.477 | \$0.450 | \$0.434 |
| Municipal Open Space | 0.020 | 0.020 | 0.020 |
| County | 0.422 | 0.408 | 0.404 |
| Regional School | 0.649 | 0.640 | 0.618 |
| Local School | <u>1.321</u> | <u>1.290</u> | <u>1.257</u> |

Assessed Valuation:

| | | | |
|-----------|----------------------------|----------------------------|----------------------------|
| Year 2023 | \$ <u>2,155,482,300.00</u> | | |
| Year 2022 | | \$ <u>2,157,596,300.00</u> | |
| Year 2021 | | | \$ <u>2,153,689,900.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CASH COLLECTIONS</u> | <u>PERCENTAGE OF COLLECTION</u> |
|-------------|-----------------|-------------------------|---------------------------------|
| 2023 | \$62,380,690.59 | \$61,906,162.39 | 99.23% |
| 2022 | \$60,712,670.96 | \$60,352,186.46 | 99.40% |
| 2021 | \$59,011,341.06 | \$58,559,083.20 | 99.23% |

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <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> |
|------------------------------|--|---|-----------------------------|---------------------------------------|
| 2023 | \$ 90,792.89 | \$ 433,274.87 | \$ 524,067.76 | 0.84% |
| 2022 | 96,963.30 | 395,606.23 | 492,569.53 | 0.81% |
| 2021 | 90,064.75 | 504,865.42 | 594,930.17 | 1.01% |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2023 | \$291,600.00 |
| 2022 | \$291,600.00 |
| 2021 | \$291,600.00 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | <u>BALANCE DECEMBER 31</u> | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> |
|--------------|-------------|--------------------------------|--|
| Current Fund | 2023 | \$ 3,087,585.74 | \$ 1,378,251.00 |
| | 2022 | 2,880,399.55 | 1,228,251.00 |
| | 2021 | 2,047,307.03 | 1,175,000.00 |
| | 2020 | 1,552,072.89 | 975,000.00 |
| | 2019 | 786,145.33 | 690,000.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> | <u>NAME OF SURETY</u> |
|-------------------------|--|-----------------------|------------------------|
| Brian Mullay | Mayor | * | |
| Marc Strauss | Council President | * | |
| Amy Switlyk | Councilwoman | * | |
| Thomas Kochanoski | Councilman | * | |
| William Glaser | Councilman | * | |
| William Close | Administrator | * | |
| Christine Licata | Chief Finance Officer | \$200,000 | RLI Insurance Co. |
| Trishka Waterbury-Cecil | Township Attorney | * | |
| Lindsay Heller | Township Clerk, Registrar | * | |
| Patricia Centofanti | Certified Tax Collector | \$1,000,000 | Hartford Fire Ins. Co. |
| Jeffrey Ward | Tax Assessor | * | |
| Eric Perkins, Esq. | Municipal Court Judge | * | |
| Kimberly Marino | Court Administrator | \$100,000 | Western Surety Co. |
| Thomas DeRosa | Chief of Police | * | |
| Taylor Gribbin | Planning Board Administrator/ Board of Adjustment Clerk | * | |
| Thomas Petto | Construction Code Official | * | |

* - \$1,000,000 blanket coverage through SCJIF policy

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the 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 amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2020, the maximum bid threshold in accordance with N.J.S.A. 40A:11-3(a) became \$44,000.00 by approval of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney'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 violations existed.

The minutes indicated bids were requested by public advertising in 2023 for:
Paving – Petticoat Lane Roadway Improvements

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for the following services:

- | | |
|-------------------|----------------------|
| Township Attorney | Township Engineer |
| Bond Counsel | Township Auditor |
| Township Planner | Special Tax Counsel |
| Labor Counsel | Consulting Engineer |
| COAH Developer | Tax Appeal Appraiser |

In addition, purchases utilizing state contracts and/or county co-ops were made various items including:

- | | | |
|---------------|------------------------|-------------------------|
| Road Salt | Custom Chassis Pumper | Patrol Vehicle Lighting |
| Grant Writing | Mower | Tree Removal |
| Road Repair | Body & Vehicle Cameras | Line Striping |
| Batting Cages | | |

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 4, 2023 adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments and on sanitary sewer service charges at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 7, 2023 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

The following is a comparison of the number of tax title liens receivable on December 31st if the last three years:

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2023 | 10 |
| 2022 | 11 |
| 2021 | 11 |

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

| <u>TYPE</u> | |
|---------------------------------------|----|
| Information Tax Positive Confirmation | 25 |
| Delinquent Tax Positive Confirmation | 10 |

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None

