

Report of Audit

on the

*Financial Statements
and Supplementary Schedules*

of the

Township of Freehold

in the

*County of Monmouth
New Jersey*

for the

*Year Ended
December 31, 2021*

TOWNSHIP OF FREEHOLD

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
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
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis December 31, 2021 and 2020	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis for the Years Ended December 31, 2021 and 2020	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2021	"A-2"
Statement of Expenditures - Regulatory Basis -Year Ended December 31, 2021	"A-3"
<u>Trust Fund:</u>	
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis December 31, 2021 and 2020	"B"
<u>General Capital Fund:</u>	
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis December 31, 2021 and 2020	"C"
Statement of Change in Fund Balance - Regulatory Basis for the Year Ended December 31, 2021	"C-1"
<u>Water-Sewer Utility Operating Fund</u>	
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis December 31, 2021 and 2020	"D"
Statement of Change in Fund Balance - Regulatory Basis for the Year Ended December 31, 2021 - Capital Fund	"D-1"
Statement of Change in Fund Balance - Regulatory Basis for the Year Ended December 31, 2021 - Assessment Fund	"D-2"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2021	"D-3"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2021	"D-4"
<u>General Fixed Assets Account Group</u>	
Statements of Assets and Liabilities - Regulatory Basis - December 31, 2021 and 2020	"F"
<u>Payroll Fund</u>	
Statements of Assets and Liabilities - Regulatory Basis - December 31, 2021 and 2020	"G"
	<u>PAGES</u>
Notes to Financial Statements	7-57

TOWNSHIP OF FREEHOLD

I N D E X (CONTINUED)

EXHIBITS

Current Fund:

Schedule of Cash and Investments	"A-4"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-5"
Schedule of Tax Title Liens	"A-6"
Schedule of Revenue Accounts Receivable	"A-7"
Schedule of Appropriation Reserves	"A-8"
Schedule of County Taxes Payable	"A-9"
Schedule of Local School District Tax Payable	"A-10"
Schedule of Regional School District Payable	"A-11"
Schedule of Interfunds	"A-12"
Schedule of Interfund - Grant Fund	"A-13"
Schedule of Grants Receivable	"A-14"
Schedule of Appropriated Reserves - Grant Fund	"A-15"
Schedule of Unappropriated Reserves	"A-16"

Trust Fund:

Schedule of Cash-Treasurer	"B-1"
Schedule of Due to the State of New Jersey - Animal Control Trust Fund	"B-2"
Schedule of Reserve for Animal Control Fund - Trust Fund Expenditures	"B-3"
Schedule of Interfund - Animal Control Trust Fund	"B-4"
Schedule of Reserves and Special Deposits	"B-5"
Schedule of Interfund - Current Fund	"B-6"

General Capital Fund:

Schedule of Cash - Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Deferred Charges to Future Taxation-Funded	"C-4"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-5"
Schedule of General Serial Bonds	"C-6"
Schedule of Green Trust Loan Program Payable	"C-7"
Schedule of Bond Anticipation Notes	"C-8"
Schedule of Improvement Authorizations	"C-9"
Schedule of Capital Improvement Fund	"C-10"
Schedule of Down Payments on Improvements	"C-11"
Schedule of Monmouth County Improvement Authority Leases Payable	"C-12"
Schedule of Bonds and Notes Authorized But Not Issued	"C-13"

TOWNSHIP OF FREEHOLD

I N D E X (CONTINUED)

EXHIBITS

Water-Sewer Utility Operating Fund:

Schedule of Cash and Investments - Treasurer	"D-5"
Analysis of Cash	"D-6"
Schedule of Water Charges Receivable	"D-7"
Schedule of Sewer Charges Receivable	"D-8"
Schedule of Fixed Capital - Capital Fund	"D-9"
Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	"D-10"
Schedule of Appropriation Reserves	"D-11"
Schedule of Accrued Interest on Bonds and Notes	"D-12"
Schedule of Improvement Authorizations - Capital Fund	"D-13"
Schedule of Capital Improvement Fund - Capital Fund	"D-14"
Schedule of Reserve for Amortization - Capital Fund	"D-15"
Schedule of Deferred Reserve for Amortization - Capital Fund	"D-16"
Schedule of Water-Sewer Serial Bonds - Capital Fund	"D-17"
Schedule of Bond Anticipation Notes - Capital Fund	"D-18"
Schedule of Monmouth County Improvement Authority Lease Payable - Capital Fund	"D-19"
Schedule of Bonds and Notes Authorized - Capital Fund	"D-20"

PAGES

PART II

Statistical Data	58-63
Officials in Office and Surety Bonds	64
General Comments and Recommendations	65-69

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TOWNSHIP OF FREEHOLD

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

YEAR ENDED DECEMBER 31, 2021



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Freehold
County of Monmouth
Freehold, New Jersey 07728

Report on the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Freehold (the "Township"), as of and for the year ended December 31, 2021 and 2020, 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, 2021, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "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, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2021.

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, 2021 and 2020, 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, 2021 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.

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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.

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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

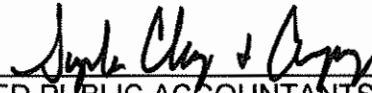
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional 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.

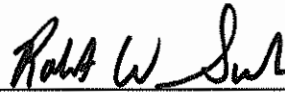
SUPLEE, CLOONEY & COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2022 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.

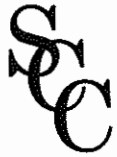


CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 29, 2022



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

The Honorable Mayor and Members
of the Township Committee
Township of Freehold
County of Monmouth
Freehold, New Jersey 07728

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 statutory financial statements of the various individual funds and the account group of the Township of Freehold, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's statutory financial statements, and have issued our report thereon dated August 29, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Freehold 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 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 Township's internal control.

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 29, 2022

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CURRENT FUND

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A

STATEMENTS OF ASSETS, LIABILITIES,

Sheet 1 of 2

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
<u>Regular Funds</u>			
Cash and Cash Equivalents - Treasurer	A-4	\$ 27,041,079.58	\$ 39,090,936.49
Investments	A-4	20,148,860.79	4,346,210.39
Change Funds		1,325.00	1,325.00
Due from State of New Jersey: (Chapter 20, P.L. 1971)		3,398.63	3,371.64
		<u>47,194,664.00</u>	<u>43,441,843.52</u>
Receivables with Full Reserves:			
Police Special Duty Receivable		182,634.67	90,419.98
Delinquent Property Taxes Receivable	A-5	1,144,887.52	981,182.00
Tax Title Liens Receivable	A-6	301,587.77	396,104.30
Property Acquired for Taxes at Assessed Value		1,106,850.00	584,150.00
Miscellaneous Receivables		33,694.57	30,057.10
Revenue Accounts Receivable	A-7	88,538.57	63,931.44
Interfunds:			
Animal Control Trust Fund	A-12	28,871.97	18,111.69
Other Trust Fund	A-12	277,559.63	202,300.22
Water-Sewer Operating Fund	A-12	1,777.88	
Payroll Fund	A-12	253,447.85	82,163.23
		<u>3,419,850.43</u>	<u>2,448,419.96</u>
		<u>50,614,514.43</u>	<u>45,890,263.48</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-13	2,126,038.76	430,484.29
Grants Receivable	A-14	540,447.10	69,533.80
		<u>2,666,485.86</u>	<u>500,018.09</u>
		<u>\$ 53,281,000.29</u>	<u>\$ 46,390,281.57</u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A

STATEMENTS OF ASSETS, LIABILITIES,

Sheet 2 of 2

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Regular Funds</u>			
Liabilities:			
Appropriation Reserves	A-3,8	\$ 4,312,833.20	\$ 3,722,823.30
Reserve for Encumbrances	A-3,8	913,961.51	1,096,513.80
Due to State of New Jersey for Fees Collected		21,160.00	24,183.00
Tax Overpayments		4,195.29	209,297.05
Accounts Payable		613,668.60	500,000.00
Prepaid Health Benefits	A-3,4	10,597.22	4,797.32
Prepaid Fees and Permits	A-4,7	14,306.00	27,371.00
Prepaid Taxes		952,398.24	943,740.89
Due County for Added and Omitted Taxes	A-9	74,585.13	115,061.08
Local District School Tax Payable	A-10	11,118,688.02	10,785,719.02
Regional High School Tax Payable	A-11	14,577,794.40	14,103,966.40
Reserve for:			
Taxes Collected on Appeal		106,303.54	106,303.54
Historical Preservation	A-4		779.94
Interfunds:			
Grant Fund	A-13	2,126,038.76	430,484.29
		<u>34,846,529.91</u>	<u>32,071,040.63</u>
Reserve for Receivables and Other Assets		3,419,850.43	2,448,419.96
Fund Balance	A-1	<u>12,348,134.09</u>	<u>11,370,802.89</u>
		<u>50,614,514.43</u>	<u>45,890,263.48</u>
<u>Grant Fund</u>			
Reserve for Encumbrances	A-15	88,320.89	40,907.45
Appropriated Reserves	A-15	766,142.96	459,110.64
Unappropriated Reserves	A-16	1,812,022.01	
		<u>2,666,485.86</u>	<u>500,018.09</u>
		<u>\$ 53,281,000.29</u>	<u>\$ 46,390,281.57</u>

There were deferred school taxes on December 31, 2021 and 2020 of \$25,566,589 (Schedule A-10).

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-1

STATEMENTS OF OPERATIONS AND

Sheet 1 of 2

CHANGE IN FUND BALANCE - REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31 2021 AND 2020

	<u>Ref.</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 7,552,950.00	\$ 7,539,498.00
Miscellaneous Revenue Anticipated	A-2	13,620,664.39	13,118,979.61
Receipts from Delinquent Taxes	A-2	981,682.63	1,375,185.57
Receipts from Current Taxes	A-2	147,459,482.30	145,474,805.71
Non-Budget Revenues	A-2	2,711,796.14	1,138,718.68
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	3,048,737.69	2,018,196.81
Statutory Excess in Animal Control Trust	A-12	28,871.97	18,111.69
Interfunds Liquidated			54,270.40
Cancel Appropriated Grant Reserve	A-13	3,600.00	50,734.73
Cancel Tax Overpayments		205,264.24	
Total Income		<u>175,613,049.36</u>	<u>170,788,501.20</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		16,525,110.00	16,493,988.00
Other Expenses		14,432,258.31	13,775,426.00
Capital Improvements		400,000.00	400,000.00
Deferred Charges and Statutory Expenditures		4,559,215.00	4,200,715.00
Municipal Debt Service		4,731,527.07	4,488,151.96
Transferred to Board of Education		951,185.00	952,559.00
Budget Totals	A-3	<u>41,599,295.38</u>	<u>40,310,839.96</u>
Refund of Prior Year Revenue	A-4	335.01	
Municipal Open Space Tax	A-4,5	2,060,435.88	2,015,229.57
Special District Taxes - Fire	A-4,5	2,347,671.00	2,505,241.00
County Taxes	A-9	19,433,292.79	18,908,041.39
Due County for Added and Omitted Taxes	A-9	74,585.13	115,061.08
Local District School Taxes	A-10	72,792,206.00	72,180,719.00
Regional School District Taxes	A-11	28,322,253.00	27,390,153.00
Cancel Grant Receivable	A-13	3,600.00	45,951.20
Interfund Advances		259,082.19	
Tax Appeals Granted		186,011.78	88,791.72

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-1

STATEMENTS OF OPERATIONS AND

Sheet 2 of 2

CHANGE IN FUND BALANCE - REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31 2021 AND 2020

	<u>Ref.</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Expenditures (Continued)</u>			
Reserve for Receivables:			
Police Special Duty Receivable		\$	\$ 3,172.44
Adjust Prior Year Accounts Payable			50,000.00
Prior Year Deductions Disallowed		4,000.00	4,500.00
Total Expenditures		<u>167,082,768.16</u>	<u>163,617,700.36</u>
Excess in Revenue		8,530,281.20	\$ 7,170,800.84
Fund Balance January 1	A	<u>11,370,802.89</u>	<u>11,739,500.05</u>
		19,901,084.09	18,910,300.89
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>7,552,950.00</u>	<u>7,539,498.00</u>
Fund Balance December 31	A	<u>\$ 12,348,134.09</u>	<u>\$ 11,370,802.89</u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 4

FOR THE YEAR ENDED DECEMBER 31, 2021

	Ref.	Budget	Anticipated	Realized	Excess or (Deficit)
	A-1	\$ 7,552,950.00	Special N.J.S. 40A:4-87	\$ 7,552,950.00	\$
Fund Balance Anticipated					
<u>Miscellaneous Revenues</u>					
Licenses:					
Alcoholic Beverages	A-7	40,000.00		45,688.00	5,688.00
Other	A-7	20,000.00		26,102.00	6,102.00
Fees and Permits:					
Construction Code Official	A-7	900,000.00		1,360,062.00	460,062.00
Other	A-7	210,000.00		297,021.00	87,021.00
Fines and Costs:					
Municipal Court	A-7	600,000.00		923,787.90	323,787.90
Interest and Costs on Taxes	A-4	130,000.00		243,769.50	113,769.50
Interest on Investments and Deposits	A-7	100,000.00		208,321.18	108,321.18
Cable Television Franchise Fees	A-7	294,879.00		294,879.00	
Verizon Franchise Fees	A-7	226,422.00		226,422.51	.51
State Aid:					
Energy Receipts Tax	A-7	7,418,109.00		7,418,109.00	
Garden State Trust Pilot	A-7	18,206.00		28,036.00	9,830.00
Special Items:					
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse	A-13	26,300.00		26,300.00	
Body Armor Fund	A-13	5,042.32		5,042.32	
Body Worn Cameras	A-13		161,002.00	161,002.00	
Clean Communities Program	A-13		80,520.11	80,520.11	
Drunk Driving Enforcement Fund	A-13	5,367.67		5,367.67	
Recycling Tonnage Grant	A-13	90,730.37		90,730.37	
Safe and Secure Communities Program	A-13	32,400.00		32,400.00	
Strengthen Public Health	A-13		291,042.00	291,042.00	

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 4

FOR THE YEAR ENDED DECEMBER 31, 2021

	Ref.	Anticipated		Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87	
			Realized	
Special Items (Continued):				
Federal Grants:				
Bulletproof Vests	A-13	\$ 4,812.50	\$	\$ 4,812.50
Distracted Driving	A-13		6,000.00	6,000.00
Other Grants:				
COVID-19 Grant	A-13	7,218.34		7,218.34
COVID-19 Grant - Supplemental Funding	A-13		50,000.00	50,000.00
NJ Health Officers Association Grant	A-13	142,236.00		142,236.00
Uniform Fire Safety Act	A-7	74,990.00		106,812.29
Other Special Items:				31,822.29
Shared Services Agreements:				
Automotive Services	A-7	50,000.00		55,934.65
Board of Health	A-7	318,060.00		40,368.50
Board of Health - VNA Health Group	A-7	6,250.00		570.00
Board of Health - Lead Inspector	A-7	2,960.00		(2,960.00)
Diesel Fuel	A-7	100,000.00		50,782.23
Information Technology	A-7	221,000.00		312,510.75
Licensed Operational Services	A-7	63,000.00		97,505.20
Police - School Security Detail	A-7	109,000.00		102,017.12
Western Monmouth Active Shooter	A-7	6,584.00		12,442.00
Other Special Items (Continued):				
Fund Balance - General Capital Fund	A-7	65,228.00		65,228.00
Hotel/Motel Tax	A-7	50,000.00		134,748.65
Payments in Lieu of Taxes	A-7	75,000.00		135,990.60
Reserve for Detention Basin	A-7	100,000.00		100,000.00
Reserve for Municipal Alliance	A-7	6,575.00		6,575.00
Total Miscellaneous Revenues	A-1	<u>11,520,370.20</u>	<u>588,564.11</u>	<u>13,620,664.39</u>
				<u>1,511,730.08</u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 4

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
			<u>Special N.J.S. 40A:4-87</u>		
Receipts from Delinquent Taxes	A-2	\$ 925,000.00	\$	\$ 981,682.63	\$ 56,682.63
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	23,032,983.00		24,443,038.50	1,410,055.50
Budget Totals	A-1,2	43,031,303.20	588,564.11	46,598,335.52	2,978,468.21
Non-Budget Revenues		\$ 43,031,303.20	\$ 588,564.11	\$ 49,310,131.66	\$ 5,690,264.35
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	

Analysis of Realized Revenues
Allocation of Current Tax Collection

Revenue from Collections	A-1,5	\$ 147,459,482.30
Allocated to School, County and Special District Taxes	A-5	125,030,443.80
Balance for Support of Municipal Budget Appropriations		22,429,038.50
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	2,014,000.00
Amount for Support of Municipal Appropriations	A-2	\$ 24,443,038.50

Delinquent Taxes

Taxes Receivable	A-2,5	\$ 980,973.18
Tax Title Liens	A-6	709.45
	A-2	\$ 981,682.63

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 4 of 4

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
<u>Analysis of Non-Budget Revenue</u>		
Abandoned Property		\$ 300.00
Administrative Fees Senior Citizens and Veterans		3,787.43
Cell Phone Tower Lease		52,868.42
COVID Relief Fund Reimbursement		829,456.23
Detention Basin Trust Fund		377,975.71
Division of Motor Vehicles Inspection Fees		11,350.00
Meeting Room Rental		50.00
Finance Department		59,684.28
Fire Bureau Fees		102,215.00
Hospital in Lieu of Taxes		281,415.00
Housing Fees		260,919.70
Impound Yard Fees		37,551.00
Joint Insurance Fund Dividend		54,933.00
Landlord Tenant Fees		129,270.00
Planning Board Fees		118,318.24
Police Department Fees		29,009.72
Police Special Duty		33,077.76
Recycling Fees		59,557.08
Retirees Drug Subsidy Reimbursement		113,191.71
Sale of Municipal Assets		147,082.04
Sign Making/Repair Services		2,910.71
Tax Collector Fees		2,372.11
Tax Map Revision		4,329.00
Vending Machines Fees		172.00
		<hr/>
	A-2,4	\$ <u><u>2,711,796.14</u></u>
<u>Source of Miscellaneous Revenue not Anticipated</u>		
Receipts	A-4	\$ 2,677,078.38
Prepaid Revenue	A	1,640.00
Police Special Duty Township Share		33,077.76
		<hr/>
	A-2	\$ <u><u>2,711,796.14</u></u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>			<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN CAPS</u>						
<u>General Government</u>						
Administrative and Executive						
Salaries and Wages	\$ 251,000.00	\$ 251,000.00	\$ 239,801.68	\$ 11,198.32	\$	
Other Expenses	11,500.00	11,500.00	4,384.85	7,115.15		
Public Information Office						
Salaries and Wages	39,000.00	39,000.00	16,677.07	22,322.93		
Other Expenses	7,000.00	7,000.00	550.00	6,450.00		
Purchasing Department						
Salaries and Wages	69,000.00	69,000.00	66,289.76	2,710.24		
Other Expenses	39,000.00	39,000.00	24,130.18	14,869.82		
Human Resources						
Salaries and Wages	71,000.00	71,000.00	59,660.65	11,339.35		
Other Expenses	17,000.00	17,000.00	10,722.89	6,277.11		
Mayor and Township Committee						
Salaries and Wages	51,000.00	51,000.00	50,890.86	109.14		
Other Expenses	30,000.00	30,000.00	20,520.22	9,479.78		
Municipal Clerk						
Salaries and Wages	187,000.00	189,000.00	187,017.25	1,982.75		
Other Expenses	101,050.00	99,050.00	72,008.34	27,041.66		
Elections						
Salaries and Wages	1,000.00	1,000.00		1,000.00		
Other Expenses	15,200.00	15,200.00	14,831.83	368.17		
Financial Administration						
Salaries and Wages	190,000.00	194,000.00	192,585.43	1,414.57		
Other Expenses	42,650.00	42,650.00	40,846.58	1,803.42		
Audit	36,000.00	36,000.00	36,000.00			
Information Technology						
Salaries and Wages	121,000.00	121,000.00	120,160.05	839.95		
Other Expenses	200,000.00	196,000.00	192,098.15	3,901.85		

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	Appropriated		Paid or Charged	Expended	Unexpended Balance Cancelled
	Budget	Budget After Modification			
Revenue Administration (Collection of Taxes)					
Salaries and Wages	\$ 95,000.00	\$ 95,000.00	\$ 94,517.10	\$ 482.90	\$
Other Expenses	34,500.00	34,500.00	21,744.46	12,755.54	
Assessment of Taxes					
Salaries and Wages	174,000.00	174,000.00	173,440.88	559.12	
Other Expenses	232,925.00	232,925.00	176,076.27	56,848.73	
Cost of Tax Appeals	150,000.00	150,000.00		150,000.00	
Legal Services and Costs					
Other Expenses	350,000.00	350,000.00	278,382.11	71,617.89	
Affordable Housing Services and Costs					
Other Expenses	150,000.00	150,000.00	120,687.31	29,312.69	
Engineering Services and Costs					
Salaries and Wages	416,000.00	416,000.00	292,909.11	123,090.89	
Other Expenses	24,700.00	24,700.00	15,035.91	9,664.09	
Historical Preservation					
Other Expenses	5,700.00	5,700.00	333.79	5,366.21	
Municipal Land Use Law					
Planning Board					
Salaries and Wages	156,000.00	156,000.00	151,557.15	4,442.85	
Other Expenses	67,600.00	67,600.00	18,382.35	49,217.65	
Insurance					
Other Insurance	308,590.00	308,590.00	304,167.22	4,422.78	
Workmen's Compensation	363,112.00	363,112.00	362,862.15	249.85	
Group Insurance for Employees	6,565,859.00	6,565,859.00	5,394,690.13	1,171,168.87	
Health Benefit Waiver	150,000.00	150,000.00	123,037.50	26,962.50	
Code Enforcement - Other					
Salaries and Wages	178,000.00	178,000.00	128,699.12	49,300.88	
Other Expenses	13,450.00	13,450.00	13,193.50	256.50	

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Reserved	Reserved	
<u>Public Safety</u>						
Police						
Salaries and Wages	\$ 9,157,000.00	\$ 9,082,000.00	\$ 8,143,882.18	\$ 938,117.82	\$	
Salaries and Wages - School Security Detail	108,000.00	108,000.00	63,259.20	44,740.80		
Other Expenses	543,100.00	543,100.00	422,026.19	121,073.81		
Office of Emergency Management						
Salaries and Wages	8,000.00	8,000.00	7,440.85	559.15		
Other Expenses	500.00	500.00		500.00		
Bureau of Fire Protection						
Salaries and Wages	50,000.00	50,000.00	42,841.68	7,158.32		
Other Expenses	5,500.00	5,500.00	2,207.00	3,293.00		
Uniform Fire Safety Act						
Salaries and Wages	77,000.00	77,000.00	71,226.50	5,773.50		
Other Expenses	13,000.00	13,000.00	7,500.00	5,500.00		
Municipal Prosecutor						
Other Expenses	72,400.00	72,400.00	72,167.04	232.96		
<u>Public Works</u>						
Road Repairs and Maintenance						
Salaries and Wages	1,157,000.00	1,157,000.00	1,000,290.14	156,709.86		
Other Expenses	261,600.00	261,600.00	188,866.08	72,733.92		
Snow Removal						
Salaries and Wages	242,000.00	242,000.00	197,534.92	44,465.08		
Other Expenses	225,000.00	225,000.00	223,916.69	1,083.31		
Shade Tree Commission						
Salaries and Wages	89,000.00	89,000.00	69,596.97	19,403.03		
Other Expenses	18,000.00	18,000.00	14,967.79	3,032.21		
Recycling						
Salaries and Wages	143,000.00	143,000.00	58,469.24	84,530.76		
Other Expenses	705,000.00	705,000.00	604,077.49	100,922.51		

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		
Public Buildings and Grounds				
Salaries and Wages	\$ 436,000.00	\$ 436,000.00	\$ 409,928.23	\$ 26,071.77
Other Expenses	152,000.00	152,000.00	146,985.13	5,014.87
Equipment Maintenance and Repair				
Salaries and Wages	374,000.00	374,000.00	339,523.04	34,476.96
Other Expenses	385,650.00	385,650.00	321,168.22	64,481.78
Condominium Services Act				
Other Expenses	120,000.00	120,000.00	106,332.54	13,667.46
<u>Health and Welfare</u>				
Board of Health				
Salaries and Wages	396,000.00	396,000.00	312,466.25	83,533.75
Other Expenses	84,700.00	84,700.00	78,015.71	6,684.29
Animal Control				
Other Expenses	82,000.00	82,000.00	81,992.00	8.00
Environmental Commission				
Other Expenses	400.00	400.00	52.10	347.90
<u>Recreation and Education</u>				
Board of Recreation Commissioners				
Salaries and Wages	449,000.00	449,000.00	427,754.57	21,245.43
Other Expenses	128,200.00	128,200.00	127,607.22	592.78
Senior Center				
Salaries and Wages	122,000.00	102,000.00	83,896.56	18,103.44
Other Expenses	20,000.00	20,000.00	18,114.34	1,885.66
<u>Municipal Court</u>				
Municipal Court				
Salaries and Wages	377,000.00	377,000.00	368,412.49	8,587.51
Other Expenses	20,000.00	20,000.00	13,957.75	6,042.25
Public Defender				
Other Expenses	30,000.00	30,000.00	30,000.00	

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit A-3

Sheet 5 of 9

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>Uniform Construction Code</u>					
State Uniform Construction Code Official					
Salaries and Wages	\$ 572,000.00	\$ 592,000.00	\$ 590,879.81	\$ 1,120.19	\$
Other Expenses	29,750.00	29,750.00	26,296.02	3,453.98	
<u>Unclassified</u>					
Utilities:					
Electricity	239,000.00	239,000.00	154,616.26	84,383.74	
Street Lighting	287,000.00	287,000.00	225,270.01	61,729.99	
Telephone	100,000.00	100,000.00	98,931.46	1,068.54	
Water and Sewer	77,000.00	77,000.00	44,276.57	32,723.43	
Natural Gas	105,000.00	105,000.00	96,497.37	8,502.63	
Gasoline	310,000.00	310,000.00	247,797.05	62,202.95	
Total Operations within Caps	28,686,636.00	28,611,636.00	24,559,932.51	4,051,703.49	
Contingent	1.00	1.00		1.00	
Total Operations (Including Contingent) within Caps	28,686,637.00	28,611,637.00	24,559,932.51	4,051,704.49	
Detail:					
Salaries and Wages	15,906,000.00	15,837,000.00	14,084,646.24	1,752,353.76	
Other Expenses	12,780,637.00	12,774,637.00	10,475,286.27	2,299,350.73	
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>					
Contribution to:					
Public Employees Retirement System	893,157.00	893,157.00	878,867.99	14,289.01	
Social Security System (O.A.S.I.)	1,134,000.00	1,134,000.00	1,088,330.64	45,669.36	
Police and Firemen's Retirement System of NJ	2,384,058.00	2,384,058.00	2,384,058.00		
Unemployment Compensation Insurance	65,000.00	65,000.00		65,000.00	
Defined Contribution Retirement Program	8,000.00	8,000.00	4,674.26	3,325.74	
Sick Leave Trust Account	75,000.00	75,000.00	75,000.00		
Total Statutory Expenditures within Caps	4,559,215.00	4,559,215.00	4,430,930.89	128,284.11	
Total Appropriations within Caps	33,245,852.00	33,170,852.00	28,990,863.40	4,179,988.60	

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		
<u>OPERATIONS EXCLUDED FROM CAPS</u>				
SFSP Fire District Payment	\$ 9,252.00	\$ 9,252.00	\$	\$
Length of Service Awards Program (LOSAP)	25,000.00	25,000.00		25,000.00
Local Matching Fund for Grants	500.00	500.00		500.00
<u>Shared Service Agreements</u>				
Board of Health				
Salaries and Wages	284,000.00	284,000.00	283,988.87	11.13
Other Expenses	34,060.00	34,060.00	13,962.50	20,097.50
Board of Health - VNA Health Group				
Salaries and Wages	3,250.00	3,250.00	1,231.03	2,018.97
Other Expenses	3,000.00	3,000.00		3,000.00
Board of Health - Lead Inspector				
Salaries and Wages	2,860.00	2,860.00		2,860.00
Other Expenses	100.00	100.00		100.00
Information Technology				
Salaries and Wages	221,000.00	226,000.00	226,000.00	
Licensed Operational Services				
Salaries and Wages	63,000.00	63,000.00	61,204.72	1,795.28
Dispatch Services				
County of Monmouth				
Other Expenses	389,879.00	389,879.00	389,879.00	
Road Repair and Maintenance				
Fuel Oil				
Other Expenses	100,000.00	170,000.00	170,000.00	
Equipment Maintenance				
Other Expenses	50,000.00	50,000.00	40,382.07	9,617.93

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Police - School Security Detail	\$ 109,000.00	\$ 109,000.00	\$ 63,258.30	\$ 45,741.70	\$
Salaries and Wages					
Western Monmouth Active Shooter	6,584.00	6,584.00	99.91	6,484.09	
Other Expenses					
Construction Code - Borough of Freehold	60,000.00	60,000.00	44,382.00	15,618.00	
Other Expenses					
<u>Public and Private Programs Offset by Revenues</u>					
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse:					
State Share	26,300.00	26,300.00	26,300.00		
Local Share	6,575.00	6,575.00	6,575.00		
Body Armor Fund	5,042.32	5,042.32	5,042.32		
Body Worn Camera Grant		161,002.00	161,002.00		
Clean Communities Program		80,520.11	80,520.11		
COVID-19 Supplemental Funding		50,000.00	50,000.00		
Drunk Driving Enforcement Fund	5,367.67	5,367.67	5,367.67		
Local Health Priority Grant	142,236.00	433,278.00	433,278.00		
NJ ACCHO Grant	7,218.34	7,218.34	7,218.34		
Recycling Tonnage Grant	90,730.37	90,730.37	90,730.37		
Safe and Secure Communities Program:					
State Share	32,400.00	32,400.00	32,400.00		
Federal Grants:					
Bulletproof Vests	4,812.50	4,812.50	4,812.50		
Click It or Ticket		6,000.00	6,000.00		
Total Operations excluded from Caps	<u>1,682,167.20</u>	<u>2,345,731.31</u>	<u>2,212,886.71</u>	<u>132,844.60</u>	

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 8 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Detail:					
Salaries and Wages	\$ 715,510.00	\$ 688,110.00	\$ 635,682.92	\$ 52,427.08	
Other Expenses	966,657.20	1,657,621.31	1,577,203.79	80,417.52	
	<u>\$ 1,682,167.20</u>				\$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	400,000.00	400,000.00	400,000.00		
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	2,545,000.00	2,545,000.00	2,545,000.00		
Payment of Bond Anticipation and Capital Notes	600,000.00	600,000.00	600,000.00		
Interest on Bonds	548,432.00	548,432.00	548,432.00		
Interest on Notes	109,695.00	109,695.00	104,159.47		5,535.53
M.C.I.A. Bond Principal	344,100.00	344,100.00	344,100.00		
M.C.I.A. Bond Interest	54,020.00	54,020.00	54,020.00		
M.C.I.A. Lease Principal	452,320.00	452,320.00	451,283.60		1,036.40
M.C.I.A. Lease Interest	84,532.00	84,532.00	84,532.00		
Total Municipal Debt Service excluded from Caps	<u>4,738,099.00</u>	<u>4,738,099.00</u>	<u>4,731,527.07</u>		<u>6,571.93</u>
<u>TRANSFERRED TO BOARD OF EDUCATION</u>					
Board of Education	951,185.00	951,185.00	951,185.00		
Total General Appropriations excluded from Caps	<u>7,771,451.20</u>	<u>8,435,015.31</u>	<u>8,295,598.78</u>	<u>132,844.60</u>	<u>6,571.93</u>
Subtotal General Appropriations	41,017,303.20	41,605,867.31	37,286,462.18	4,312,833.20	6,571.93
Reserve for Uncollected Taxes	2,014,000.00	2,014,000.00	2,014,000.00		
Total General Appropriations	<u>\$ 43,031,303.20</u>	<u>\$ 43,619,867.31</u>	<u>\$ 39,300,462.18</u>	<u>\$ 4,312,833.20</u>	<u>\$ 6,571.93</u>
Ref.	A-3	A-3	A-3	A	

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 9 of 9

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Appropriated Budget After Modification</u>
Budget	A-2	\$ 43,031,303.20
Added by N.J.S. 40A:4-87	A-2	588,564.11
	A-3	<u>\$ 43,619,867.31</u>
		<u>Expended Paid or Charged</u>
Disbursements	A-4	\$ 35,721,499.53
Reserve for:		
Encumbrances	A	913,961.51
Uncollected Taxes	A-2	2,014,000.00
Prepaid Health Premiums		(4,797.32)
Interfunds:		
Payroll Fund	A-12	(253,447.85)
Grant Fund	A-13	909,246.31
	A-3	<u>\$ 39,300,462.18</u>

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

TRUST FUND

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B

STATEMENTS OF ASSETS, LIABILITIES,

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 74,167.63	\$ 80,115.88
<u>Other Trust Fund</u>			
Cash	B-1	14,603,106.11	14,682,304.42
Due from State of New Jersey	B-1		20,156.23
Grant Receivable	B-1,5	686.75	686.75
Promissory Note Receivable		400,000.00	400,000.00
		<u>15,003,792.86</u>	<u>15,103,147.40</u>
		\$ <u>15,077,960.49</u>	\$ <u>15,183,263.28</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Prepaid Licenses	B-3	\$	\$ 13,171.20
Due State of New Jersey	B-2	16.80	
Reserve for Animal Control Trust Fund	B-3	45,278.86	48,832.99
Interfund - Current Fund	B-4	28,871.97	18,111.69
		<u>74,167.63</u>	<u>80,115.88</u>
<u>Other Trust Fund</u>			
Miscellaneous Reserves	B-5	14,326,233.23	14,500,847.18
Reserve for Promissory Note Receivable		400,000.00	400,000.00
Interfund - Current Fund	B-6	277,559.63	202,300.22
		<u>15,003,792.86</u>	<u>15,103,147.40</u>
		\$ <u>15,077,960.49</u>	\$ <u>15,183,263.28</u>

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

GENERAL CAPITAL FUND

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C

STATEMENTS OF ASSETS, LIABILITIES,

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$ 19,336,745.60	\$ 9,345,949.47
Grants Receivable	C-3	870,800.00	455,800.00
Loan Receivable		337,894.81	334,904.81
Deferred Charges to Future Taxation:			
Funded	C-4	33,118,530.74	25,369,794.22
Unfunded	C-5	36,300,602.00	34,466,602.00
Capital Lease	C-12	2,743,740.00	2,132,480.00
Installment Note		2,073,886.11	2,200,000.00
		<u>\$ 94,782,199.26</u>	<u>\$ 74,305,530.50</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$ 32,763,000.00	\$ 24,940,000.00
Green Trust Loan	C-7	355,530.74	429,794.22
Bond Anticipation Notes	C-8	12,540,000.00	11,000,000.00
Installment Note Payable		2,073,886.11	2,200,000.00
Improvement Authorizations:			
Funded	C-9	4,679,082.64	1,296,380.75
Unfunded	C-9	36,070,617.02	27,554,024.49
Reserve for Encumbrances	C-9	789,522.21	1,959,807.70
Capital Improvement Fund	C-10	228,733.41	514,733.41
Down Payments on Improvements	C-11	95,737.00	95,737.00
M.C.I.A. Lease Payable	C-12	2,743,740.00	2,132,480.00
Reserve for:			
Debt Service	C-3	287,937.81	237,937.81
Historical Preservation	C-3	9,203.20	9,203.20
Improvements	C-3	21,376.00	21,376.00
Reserve for Receivables:			
Loans Receivable	C	337,894.81	334,904.81
Grants Receivable			50,000.00
Fund Balance	C-1	<u>1,785,938.31</u>	<u>1,529,151.11</u>
		<u>\$ 94,782,199.26</u>	<u>\$ 74,305,530.50</u>

There were bonds and notes authorized but not issued on December 31, 2021 and 2020 of \$23,760,602.00 and \$23,466,602.00, respectively (Exhibit C-13).

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF CHANGE IN FUND BALANCE

REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020	<u>Ref.</u> C		\$ 1,529,151.11
Increased by:			
Receipts:			
Premium on Sale of Notes	C-2	\$ 96,695.94	
Premium on Sale of Bonds	C-2	<u>225,319.26</u>	
			<u>322,015.20</u>
			1,851,166.31
Decreased by:			
Capital Fund Balance to Current Fund	C-2		<u>65,228.00</u>
Balance December 31, 2021	C		<u><u>\$ 1,785,938.31</u></u>

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

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WATER - SEWER UTILITY FUND

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D

STATEMENTS OF ASSETS, LIABILITIES,

Sheet 1 of 2

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 11,035,990.33	\$ 8,997,428.59
Investments	D-5	30,700.23	998,587.62
Cash - Change Fund		100.00	100.00
		<u>11,066,790.56</u>	<u>9,996,116.21</u>
Receivables with Full Reserves:			
Water Charges Receivable	D-7	241,912.80	227,426.44
Sewer Charges Receivable	D-8	409,142.62	349,822.02
Bankruptcy Utility Charges		1,174.06	
		<u>652,229.48</u>	<u>577,248.46</u>
Total Operating Fund		<u>11,719,020.04</u>	<u>10,573,364.67</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	12,124,456.61	5,905,600.39
Connection Fees Receivable		18,576.00	18,576.00
Fixed Capital	D-9	54,941,484.54	54,815,521.54
Fixed Capital Authorized and Uncompleted	D-10	26,893,289.75	20,839,289.75
Total Capital Fund		<u>93,977,806.90</u>	<u>81,578,987.68</u>
		<u>\$ 105,696,826.94</u>	<u>\$ 92,152,352.35</u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D

STATEMENTS OF ASSETS, LIABILITIES,

Sheet 2 of 2

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance (Continued)</u>			
Operating Fund:			
Appropriation Reserves	D-4,11	\$ 886,819.83	\$ 1,067,695.67
Reserve for Encumbrances	D-4,11	155,944.67	334,965.70
Accounts Payable		5,200.50	5,710.50
Interfund - Current Fund	D-4	1,777.88	
Prepaid Water-Sewer Rents	D-5,7,8	41,059.40	29,055.56
Accrued Interest on Bonds and Notes	D-12	37,027.53	49,252.53
		<u>1,127,829.81</u>	<u>1,486,679.96</u>
Reserve for Receivables		652,229.48	577,248.46
Operating Fund Balance	D-2	9,938,960.75	8,509,436.25
Total Operating Fund		<u>11,719,020.04</u>	<u>10,573,364.67</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-13	1,563,393.71	1,185,217.74
Unfunded	D-13	13,508,039.73	8,633,070.42
Reserve for Encumbrances	D-13	965,537.81	829,303.53
Capital Improvement Fund	D-14	429,752.57	429,752.57
Reserve for Amortization	D-15	54,120,887.15	53,298,943.70
Deferred Reserve for Amortization	D-16	5,673,187.39	5,136,907.84
Serial Bonds	D-17	7,260,000.00	6,955,000.00
Bond Anticipation Notes	D-18	8,675,000.00	3,500,000.00
M.C.I.A. Lease Payable	D-19	385,260.00	292,520.00
Reserve for Infrastructure Contribution		83,964.29	83,964.29
Reserve for Accounts Receivable		18,576.00	18,576.00
Fund Balance	D-1	1,294,208.25	1,215,731.59
Total Capital Fund		<u>93,977,806.90</u>	<u>81,578,987.68</u>
		<u>\$ 105,696,826.94</u>	<u>\$ 92,152,352.35</u>

There were bonds and notes authorized but not issued on December 31, 2021 and 2020 of \$5,720,439.75 and \$6,471,439.75, respectively (Exhibit D-20).

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-1

STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020	<u>Ref.</u> D		\$ 1,215,731.59
Increased by:			
Premium on Sale of Bonds	D-5	\$ 32,340.74	
Premium on Sale of Notes	D-5	<u>66,892.92</u>	
			<u>99,233.66</u>
			1,314,965.25
Decreased by:			
Anticipated as Revenue in Utility Operating	D-5		<u>20,757.00</u>
Balance December 31, 2021	D		<u><u>\$ 1,294,208.25</u></u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-2

STATEMENTS OF OPERATIONS AND

CHANGE IN FUND BALANCE - REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 3,080,514.00	\$ 2,804,682.00
Rents:			
Water Charges	D-3	4,308,035.52	4,162,759.48
Sewer Charges	D-3	7,686,856.57	7,493,825.35
Miscellaneous:			
Water Connection Fees	D-3	739,157.06	221,646.40
Sewer Connection Fees	D-3	377,711.80	168,755.77
Interest on Deposits	D-3	63,787.41	175,240.81
Fire Hydrant Service	D-3	225,192.52	210,883.33
Miscellaneous Revenue Anticipated	D-3	150,085.60	103,768.98
Fund Balance:			
Utility Assessment Fund			383,642.18
Utility Capital Fund	D-3	20,757.00	52,343.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	1,064,962.26	1,102,329.64
MRRSA 2020 Flow Credit	D-5	407,149.76	
Total Income		<u>18,124,209.50</u>	<u>16,879,876.94</u>
<u>Budget and Other Expenditures</u>			
Budget:			
Operating		11,463,427.00	11,621,990.00
Capital Improvements		193,000.00	225,000.00
Debt Service		1,594,327.00	1,620,244.88
Statutory Expenditures		363,417.00	341,456.00
	D-4	<u>13,614,171.00</u>	<u>13,808,690.88</u>
Adjustment to Prior Years Accounts Payable			2,855.25
		<u>13,614,171.00</u>	<u>13,811,546.13</u>
Excess in Revenues		4,510,038.50	3,068,330.81
Fund Balance January 1	D	8,509,436.25	8,245,787.44
		<u>13,019,474.75</u>	<u>11,314,118.25</u>
Decreased by:			
Utilization by:			
Water-Sewer Operating Budget	D-2	<u>3,080,514.00</u>	<u>2,804,682.00</u>
Fund Balance December 31	D	<u>\$ 9,938,960.75</u>	<u>\$ 8,509,436.25</u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-3

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-2	\$ 3,080,514.00	\$ 3,080,514.00	\$
Water Rents	D-2,7	3,605,000.00	4,308,035.52	703,035.52
Sewer Rents	D-2,8	6,695,000.00	7,686,856.57	991,856.57
Miscellaneous:				
Water Connection Fees	D-2,5	25,000.00	739,157.06	714,157.06
Sewer Connection Fees	D-2,5	25,000.00	377,711.80	352,711.80
Interest on Deposits	D-2,5	35,000.00	63,787.41	28,787.41
Fire Hydrant Service	D-2,7	120,000.00	225,192.52	105,192.52
Miscellaneous Other	D-2,3	30,000.00	150,085.60	120,085.60
Fund Balance:				
Utility Capital Fund	D-2,5	20,757.00	20,757.00	
		<u>\$ 13,636,271.00</u>	<u>\$ 16,652,097.48</u>	<u>\$ 3,015,826.48</u>

Ref. D-5

Analysis of Miscellaneous Other

Interest on Delinquent Accounts		\$ 41,827.37
Meter Installation		11,605.77
Reconnect and Disconnect Fees		2,300.50
NSF Check Fees		2,803.00
Miscellaneous Other		62,998.39
COVID Relief Funds		27,901.90
Bankruptcy Receivable Realized		648.67
		<u>648.67</u>
	D-3,5	<u>\$ 150,085.60</u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 1,647,000.00	\$ 1,647,000.00	\$ 1,532,572.87	\$ 114,427.13	\$
Other Expenses	9,816,427.00	9,816,427.00	9,145,251.73	671,175.27	
Capital Improvements					
Capital Outlay	193,000.00	193,000.00	99,248.10	93,751.90	
Debt Service					
Payment of Bond Principal	1,325,000.00	1,325,000.00	1,325,000.00		
Payment of Bond Anticipation Notes	22,100.00	22,100.00			22,100.00
Interest on Bonds	162,000.00	162,000.00	162,000.00		
Interest on Notes	40,737.00	40,737.00	40,737.00		
M.C.I.A. - Principal	50,480.00	50,480.00	50,480.00		
M.C.I.A. - Interest	16,110.00	16,110.00	16,110.00		
Statutory Expenditures					
Contribution to:					
Public Employees' Retirement System	237,421.00	237,421.00	237,421.00		
Social Security System (O.A.S.I.)	125,996.00	125,996.00	118,530.47	7,465.53	
	<u>\$ 13,636,271.00</u>	<u>\$ 13,636,271.00</u>	<u>\$ 12,727,351.17</u>	<u>\$ 886,819.83</u>	<u>\$ 22,100.00</u>
Ref.	D-3	D-2	D	D	D-2
Reserve for Encumbrances			\$ 155,944.67		
Disbursements			12,366,891.62		
Accrued Interest on Bonds and Notes			202,737.00		
Interfund - Current Fund			<u>1,777.88</u>		
			<u>\$ 12,727,351.17</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 FREEHOLD - COUNTY OF MONMOUTH

GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit F

STATEMENTS OF ASSETS AND LIABILITIES

REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
General Fixed Assets:		
Land	\$ 104,754,000.00	\$ 104,669,400.00
Buildings and Improvements	12,053,800.00	12,053,800.00
Equipment	4,325,359.32	4,349,840.79
Motor Vehicles and Equipment	<u>11,268,135.20</u>	<u>11,163,293.47</u>
	<u>\$ 132,401,294.52</u>	<u>\$ 132,236,334.26</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 132,401,294.52</u>	<u>\$ 132,236,334.26</u>

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

PAYROLL FUND

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

PAYROLL FUND

Exhibit G

STATEMENTS OF ASSETS AND LIABILITIES

REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash	\$ <u>390,361.81</u>	\$ <u>200,646.19</u>
<u>Liabilities</u>		
Due to Various Agencies	\$ 136,913.96	\$ 118,482.96
Interfund - Current Fund	<u>253,447.85</u>	<u>82,163.23</u>
	<u>\$ 390,361.81</u>	<u>\$ 200,646.19</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Township of Freehold, County of Monmouth, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or fire districts which are subject to separate audits.

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 of Freehold include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Freehold, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Freehold do not include the operations of the local and regional school districts, inasmuch as their activities are administered by a separate board.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Descriptions of Funds (Continued)

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

Animal Control Trust Fund - animal license revenues and expenditures.

Other Trust Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Water-Sewer Utility Assessment Trust Fund - used to account for the financing of local utility improvements deemed to benefit the properties against which assessments are levied.

Water-Sewer Utility Operating Fund - revenues and expenditures necessary to operate municipally-owned water supply and sewer collection systems from user fees.

Water-Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

C. Basis of Accounting

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

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

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water-Sewer Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2021 is set forth in Note 10.

Fund Balance - fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Freehold Township School District and the Freehold Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2020 and decreased by the amount deferred at December 31, 2021.

County Taxes - The Township is responsible for levying, collecting, and remitting county taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "Local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Sale of Municipal Assets - cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Interfunds - Advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A. 40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

General Fixed Assets - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system based on an inspection and historic cost analysis.

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

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be 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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Utility Fixed Assets - Accounting for utility fund “fixed capital” remains unchanged.

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

Property and equipment of the Water-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

During 2021 and 2020 the following changes occurred in the fixed assets of the Township:

		Expended from				
	Balance	Current/	Utility	Less:	Transfers/	Balance
	Jan. 1, 2021	Capital	Fund	Disposals	Cancelled	Dec. 31, 2021
		Funds				
General Fixed Assets Account Group:						
Land	\$ 104,669,400	\$ 84,600	\$	\$	\$	\$ 104,754,000
Buildings and Improvements	12,053,800					12,053,800
Equipment	4,349,841	36,971		61,453		4,325,359
Motor Vehicles and Equipment	11,163,293	872,504		767,662		11,268,135
	<u>132,236,334</u>	<u>994,075</u>		<u>829,115</u>		<u>132,401,294</u>
Water-Sewer Utility Capital Fund:						
Fixed Capital	54,815,521		143,220	17,257		54,941,484
Fixed Capital Authorized and Uncompleted	20,839,290					20,839,290
	<u>75,654,811</u>		<u>143,220</u>	<u>17,257</u>		<u>75,780,774</u>
	<u>\$ 207,891,145</u>	<u>\$ 994,075</u>	<u>\$ 143,220</u>	<u>\$ 846,372</u>	<u>\$ -0-</u>	<u>\$ 208,182,068</u>

		Expended from				
	Balance	Current/	Utility	Less:	Transfers/	Balance
	Jan. 1, 2020	Capital	Fund	Disposals	Cancelled	Dec. 31, 2020
		Funds				
General Fixed Assets Account Group:						
Land	\$ 104,146,700	\$ 522,700	\$	\$	\$	\$ 104,669,400
Buildings and Improvements	12,053,800					12,053,800
Equipment	4,373,435	17,455		42,291	1,242	4,349,841
Motor Vehicles and Equipment	10,358,293	965,244		160,244		11,163,293
	<u>130,932,228</u>	<u>1,505,399</u>		<u>202,535</u>	<u>1,242</u>	<u>132,236,334</u>
Water-Sewer Utility Capital Fund:						
Fixed Capital	51,460,050			9,832	3,365,303	54,815,521
Fixed Capital Authorized and Uncompleted	22,768,835		1,706,000		(3,635,545)	20,839,290
	<u>74,228,885</u>		<u>1,706,000</u>	<u>9,832</u>	<u>(270,242)</u>	<u>75,654,811</u>
	<u>\$ 205,161,113</u>	<u>\$ 1,505,399</u>	<u>\$ 1,706,000</u>	<u>\$ 212,367</u>	<u>\$ (269,000)</u>	<u>\$ 207,891,145</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

F. Impact of Recently Issued Accounting Principles

Recent Accounting Pronouncements

The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. There are no recent GASB pronouncement that would have a significant impact on the Township's financial statements.

G. Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers 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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounting and Financial Reporting for Pensions (continued)

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

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

In May of 2021, 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 Pension's reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Township's deposits was \$84,679,601 and the bank balance amount was \$84,779,061. Of this amount \$250,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$84,529,061.

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (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 Township, or bonds or other obligations of school districts.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- a. (8) Agreements for the repurchase of fully collateralized securities, if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

At year-end, the carrying value of the Township's investments and the investment balance was \$20,179,561.00 of which and is reflected in the financial statements as follows:

	<u>Current Fund</u>	<u>Water-Sewer Operating Fund</u>	<u>Total</u>
Notes of other Municipalities	\$20,096,136.00		\$20,096,136.00
U.S. Treasury Notes	52,724.79	\$30,700.23	83,425.02
	<u>\$20,148,860.79</u>	<u>\$30,700.23</u>	<u>\$20,179,561.02</u>

The Township is holding notes for the following municipalities at year end:

<u>Municipality</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Florence Township	01/31/22	.0620%	\$487,000.00
Hawthorne Borough	09/09/22	.4450%	1,924,000.00
Pohatcong Borough	11/03/22	.4500%	920,000.00
Parsippany-Troy Hills Township	11/09/22	.5959%	3,370,136
Hillsborough Township	12/09/22	.4800%	13,395,000.00
			<u>\$20,096,136.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

U.S. Government Bonds

Guidelines established by GASB Statement No. 72 recognize a three-tiered fair value hierarchy for investments, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2021, the Township had the following recurring fair value measurements:

	<u>Dec. 31, 2021</u>	<u>Fair Value Measurements Using</u>		
		<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Debt Securities:				
U.S. Treasuries	\$ <u>83,425</u>	\$ <u>83,425</u>	\$ <u>-</u>	\$ <u>-</u>

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories

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

Insured:	
FDIC	\$ 250,000
GUDPA	84,529,061
Investments	<u>20,179,561</u>
	\$ <u>104,958,622</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

E. Interest Rate Risk

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; 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; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The County has no investment policy that would further limit its investment choices.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with New Jersey statutes.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

E. Interest Rate Risk (Continued)

As of December 31, 2021, the Township's investments had the following maturities:

	<u>Cost Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
Debt Securities:					
U.S. Treasuries	\$ <u>83,425</u>	\$ <u>83,425</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

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

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2021 and 2020 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the Township's individual major funds, in the aggregate, are as follows:

<u>December 31, 2021</u>	<u>Current Fund</u>	<u>Grant Fund</u>	<u>Other Trust Fund</u>	<u>General Capital Fund</u>	<u>Utility Operating Fund</u>	<u>Utility Capital Fund</u>	<u>Total (Memo Only)</u>
State	\$	\$ 488,052	\$ 16,587	\$ 870,800	\$	\$	\$ 1,375,439
Federal		2,395					2,395
Taxes and User Fees	1,446,580				652,229		2,098,809
Other	<u>304,868</u>	<u>50,000</u>		<u>337,895</u>		<u>18,576</u>	<u>711,339</u>
	\$ <u>1,751,448</u>	\$ <u>540,447</u>	\$ <u>16,587</u>	\$ <u>1,208,695</u>	\$ <u>652,229</u>	\$ <u>18,576</u>	\$ <u>4,187,982</u>
<u>December 31, 2020</u>	<u>Current Fund</u>	<u>Grant Fund</u>	<u>Other Trust Fund</u>	<u>General Capital Fund</u>	<u>Utility Operating Fund</u>	<u>Utility Capital Fund</u>	<u>Total (Memo Only)</u>
State	\$	\$ 51,772	\$ 20,843	\$ 455,800	\$	\$	\$ 528,415
Federal		2,884					2,884
Taxes and User Fees	1,377,286				577,248		1,954,534
Other	<u>184,409</u>	<u>14,878</u>		<u>334,905</u>		<u>18,576</u>	<u>552,768</u>
	\$ <u>1,561,695</u>	\$ <u>69,534</u>	\$ <u>20,843</u>	\$ <u>790,705</u>	\$ <u>577,248</u>	\$ <u>18,576</u>	\$ <u>3,038,601</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 4. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

NOTE 5. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 561,657	\$ 2,126,039
Grant Fund	2,126,039	
Animal Control Trust Fund		28,872
Other Trust Fund		277,560
Water-Sewer Utility Operating Fund		1,777
Payroll Fund		<u>253,448</u>
 Total	 <u>\$ 2,687,696</u>	 <u>\$ 2,687,696</u>

The purpose of these interfunds is short-term borrowing.

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

NOTE 6. SCHOOL TAXES

Local District School Taxes and Regional School Taxes have been raised and liabilities deferred by statute resulting in the school taxes payable as set forth in the Current Fund liabilities as follows:

		<u>Balance December 31</u>			
		<u>Local District School Taxes</u>		<u>Regional District School Taxes</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance of Tax	\$	<u>36,685,277</u>	\$ <u>36,352,308</u>	\$ <u>14,577,794</u>	\$ <u>14,103,966</u>
Deferred		<u>25,566,589</u>	<u>25,566,589</u>		
 Tax Payable	 \$	 <u>11,118,688</u>	 <u>10,785,719</u>	 <u>14,577,794</u>	 <u>14,103,966</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 7. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-term Debt

The Township's long-term debt is summarized as follows:

General Capital Fund:

1.50% to 3.50% Open Space Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2024	\$190,000.00
2.00% to 3.25% General Obligation Bonds Issue December 1, 2014, installment maturities to December 1, 2026	2,405,000.00
1.00% to 4.00% Open Space Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2022	285,000.00
2.00% to 4.00% General Obligation Bonds Issued December 1, 2015, installment maturities to November 1, 2027	4,410,000.00
4.00% to 5.00% General Obligation Refunding Bonds Issued March 24, 2016, installment maturities to December 1, 2023	995,000.00
1.00% to 3.00% General Obligation Refunding Bonds Issued November 8, 2017, installment maturities to September 15, 2028	5,035,000.00
1.00% to 4.00% General Obligation Bonds Issued November 4, 2019, installment maturities to October 15, 2031	8,190,000.00
.50% to 2.00% General Obligation Bonds Issued October 28, 2021, installment maturities to October 15, 2032	11,253,000.00
	<hr/> \$32,763,000.00 <hr/>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 7. DEBT (CONTINUED)

A. Long-term Debt (Continued)

Water-Sewer Capital Fund:

1.50% to 3.50% Utility Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2024	\$515,000.00
1.00% to 4.00% Utility Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2022	230,000.00
2.00% to 4.00% Utility Bonds Issued December 11, 2015, installment maturities to November 1, 2027	2,920,000.00
1.00% to 4.00% Utility Bonds Issued November 4, 2019, installment maturities to October 15, 2031	1,965,000.00
.50% to 2.00% Utility Bonds Issued October 28, 2021, installment maturities to October 15, 2033	1,630,000.00
	<u>\$7,260,000.00</u>

The General Capital Fund bonds mature serially in installments to the year 2032 and the Water-Sewer Utility Capital Fund bonds mature serially in installments to the year 2033. Aggregate debt service requirements are as follows:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,983,000	\$ 700,008
2023	3,905,000	607,814
2024	3,815,000	515,636
2025	3,825,000	454,231
2026	3,915,000	374,556
2027-31	12,155,000	730,994
2032	<u>1,165,000</u>	<u>23,300</u>
Total	<u>\$ 32,763,000</u>	<u>\$ 3,406,539</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 7. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Water-Sewer Utility Capital Fund

Year	Principal	Interest
2022	\$ 1,125,000	\$ 157,241
2023	905,000	132,238
2024	980,000	113,245
2025	825,000	93,825
2026	840,000	76,162
2027-31	2,275,000	136,750
2032-33	310,000	9,300
Total	\$ <u>7,260,000</u>	\$ <u>718,761</u>

Green Trust Loan Program

The Township has six low interest loans (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. Loans of \$400,000, \$600,000 and \$300,000 for Opatut Park Development were finalized in October 2005, September 2007, and February 2008, respectively. The Township must repay each loan in semi-annual installments over twenty years. The balance December 31, 2021 was \$355,531. Loan payments are due through 2027.

Debt service requirements are as follows:

Year	Principal	Interest
2022	\$ 75,756	\$ 6,734
2023	77,279	5,211
2024	78,832	3,658
2025	67,980	2,073
2026	37,305	831
2027	18,379	276
Total	\$ <u>355,531</u>	\$ <u>18,783</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 7. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Installment Purchase Agreement

The Township has entered into an Installment Purchase Agreement in August 2020 for the preservation and conservation of agricultural land. The purchase agreement is for \$2,200,000 at 2.1% for fifteen years (through 2035). Annual payments are due August 15th of each year. The balance at December 31, 2021 is \$2,073,886.

Debt service requirements are as follows:

<u>Year</u>		<u>Principal</u>		<u>Interest</u>
2022	\$	128,788	\$	42,317
2023		131,519		39,586
2024		134,307		36,797
2025		137,155		33,950
2026		140,063		31,041
2027-31		746,142		109,381
2032-35		<u>655,912</u>		<u>28,507</u>
Total	\$	<u>2,073,886</u>	\$	<u>321,579</u>

B. Short-Term Debt

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

<u>Ordinance Number</u>	<u>General Capital Fund</u>	<u>Amount</u>	<u>Interest Rate</u>
19-10	Various Improvements	\$ 340,000	1.00%
20-10	Various Improvements	1,200,000	1.00%
21-06	Various Improvements	<u>11,000,000</u>	1.00%
		<u>\$ 12,540,000</u>	

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 7. DEBT (CONTINUED)

B. Short-Term Debt (Continued)

<u>Ordinance Number</u>	<u>Water-Sewer Utility Capital Fund</u>	<u>Amount</u>	<u>Interest Rate</u>
09-17	Various Improvements to the Water-Sewer System	\$ 127,000	1.00%
18-08	Various Improvements to the Water-Sewer System	745,000	1.00%
18-08	Various Improvements to the Water-Sewer System	1,078,000	1.00%
19-11	Various Improvements to the Water-Sewer System	460,000	1.00%
19-11	Various Improvements to the Water-Sewer System	600,000	1.00%
20-11	Various Improvements to the Water-Sewer System	665,000	1.00%
21-07	Various Improvements to the Water-Sewer System	<u>5,000,000</u>	1.00%
		\$ <u>8,675,000</u>	

C. Bonds and Notes Authorized but not Issued

At December 31 the Township had authorized but not issued bonds and notes as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$ 23,760,602	\$ 23,466,602
Water-Sewer Utility Capital Fund	5,720,440	6,471,440

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2021 was .969%. The Township's remaining borrowing power is 2.528%.

The summary of municipal debt for the last three years and the calculation of statutory net debt are presented in the statistical section of this report.

E. Summary of Debt Activity

During 2021 and 2020 the following changes occurred in the issued and outstanding debt of the Township:

	<u>Balance Jan. 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2021</u>	<u>Due within One Year</u>
General Capital Fund:					
Serial Bonds	\$ 24,940,000	\$ 11,253,000	\$ 3,430,000	\$ 32,763,000	\$ 3,983,000
Bond Anticipation Notes	11,000,000	11,340,000	9,800,000	12,540,000	12,540,000
Green Trust Loans	429,794		74,263	355,531	128,788
Water-Sewer Utility Capital Fund:					
Serial Bonds	6,955,000	1,630,000	1,325,000	7,260,000	1,125,000
Bond Anticipation Notes	<u>3,500,000</u>	<u>6,805,000</u>	<u>1,630,000</u>	<u>8,675,000</u>	<u>8,675,000</u>
	\$ <u>46,824,794</u>	\$ <u>31,028,000</u>	\$ <u>16,259,263</u>	\$ <u>61,593,531</u>	\$ <u>26,451,788</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 7. DEBT (CONTINUED)

E. Summary of Debt Activity (Continued)

	<u>Balance</u> <u>Jan. 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Due within</u> <u>One Year</u>
General Capital Fund:					
Serial Bonds	\$ 28,325,000	\$	\$ 3,385,000	\$ 24,940,000	\$ 3,430,000
Bond Anticipation Notes	5,200,000	6,602,600	802,600	11,000,000	11,000,000
Green Trust Loans	502,594		72,800	429,794	74,264
Water-Sewer Utility Capital Fund:					
Serial Bonds	8,274,000		1,319,000	6,955,000	1,325,000
Bond Anticipation Notes	2,000,000	1,500,000		3,500,000	3,500,000
	<u>\$ 44,301,594</u>	<u>\$ 8,102,600</u>	<u>\$ 5,579,400</u>	<u>\$ 46,824,794</u>	<u>\$ 19,329,264</u>

NOTE 8. TAXES AND SEWER CHARGES COLLECTED IN ADVANCE

Taxes and water-sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>2021</u>	<u>2020</u>
Prepaid Taxes	\$ 952,398.24	\$ 943,741
Prepaid Water-Sewer Utility Charges	41,059.40	29,056

NOTE 9. CAPITAL LEASE

The Township in 2013, 2015, 2017, 2019 and 2021 authorized capital leases with the Monmouth County Improvement Authority. The amounts authorized for the equipment acquisition were \$844,200, \$1,065,000, \$1,312,000, \$1,109,410 and \$1,158,780 in the General Capital Fund. The Water-Sewer Utility Capital authorized \$73,800 in the 2013 lease, \$309,590 in the 2019 lease and \$143,220 in the 2021 lease. As described in Note 1, the obligations under the capital lease based upon the regulatory basis of accounting is as follows:

	<u>General Capital Fund</u>		<u>Water-Sewer</u> <u>Utility Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 726,850	\$ 129,144	\$ 75,150	\$ 20,203
2023	516,300	95,212	78,700	16,214
2024	462,850	71,113	75,150	12,057
2025	348,320	48,289	40,680	7,981
2026	304,340	31,240	42,660	5,860
2027-31	385,080	44,747	72,920	9,042
Total	<u>\$ 2,743,740</u>	<u>\$ 419,745</u>	<u>\$ 385,260</u>	<u>\$ 71,357</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10. ACCRUED SICK PAY BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits certain employees within limits to accumulate unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$929,422 and \$1,019,150 at December 31, 2021 and 2020, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. At December 31, 2021 the Township had \$12,284.55 reserved for accrued sick pay benefits in the Trust Other Fund

NOTE 11. FUND BALANCES

The fund balances at December 31, 2021 which have been appropriated and included as anticipated revenue in the adopted budget for the year ending December 31, 2022 of the succeeding year is as follows:

	<u>2021</u>	<u>2020</u>
Current Fund	\$ 7,746,802	\$ 7,552,950
Water-Sewer Utility Fund	3,176,605	3,080,514

NOTE 12. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local and Regional School Districts and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year.

In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 13. CONTINGENT LIABILITIES

State and Federal Financial Assistance

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

Tax Appeals

At December 31, 2021 the Township has reserved \$106,304 in anticipation of successful tax appeals currently pending before the State courts.

Major Tax Assessments

Taxpayers in 2021 with assessments in excess of 1% of the total assessed valuation were as follows:

<u>Owner</u>	<u>Value</u>	<u>Value</u>
Freemall Associates	\$ 359,211,700	5.35%
Eagle Rock	69,726,700	1.04%

Pending Litigation

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

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

The Township officials believe that negligence and other types of liability suits, of which the Township is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 14. GROUND LEASE

The Township authorized a ground lease for a parcel of land utilized for the construction of affordable senior housing. The loan amount is \$299,000 bearing an interest rate of one percent (1%) per annum. There are stipulations in the lease agreements for the repayment of the ground lease to the Township. The balance receivable at December 31, 2021 and 2020 is \$337,895 and \$334,905, respectively.

NOTE 15. 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. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and prior two years:

<u>Year</u>	<u>Contributions</u>			<u>Reimbursed to State</u>	<u>Balance December 31</u>
	<u>Interest</u>	<u>Township</u>	<u>Employee</u>		
2021	\$ 315	\$	\$ 55,155	\$ 26,161	\$ 163,299
2020		51,000	43,728	59,609	133,990
2019			3,646	16,490	98,871

NOTE 16. RISK MANAGEMENT

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

Freehold Township provides post-employment medical, prescription drug and dental coverage to eligible retired employees and their spouses. Non-union employees covered under the NJPERS pension plan hired after January 1st, 2010 are not eligible for retirement coverage. Blue Collar union employees hired after January 1st, 2010 are extended coverage until Medicare eligibility. For all other employees coverage is provided for the lifetime of the participant. The surviving spouse of a deceased retiree may receive continued benefits for life. The surviving spouse of an active employee who dies while employed with the Township receives no benefits. The Township Plan is a single employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. The Township Plan does not issue a separate financial report.

Freehold Township pays 100% of the insurance cost for the retiree.

Employees and Retirees Covered - At December 31, 2021, the following employees were covered by the Township plan:

<u>Participant Data</u>	<u>Amount</u>
Active Employees	145
Retired Employees:	
Retirees	132
Spouses	90
Total	<u>367</u>

Actuarial Assumptions and Other Inputs - This valuation has been conducted as of December 31, 2021 based on census, plan design and premium information provided by the Township. Census includes 222 retired participants and 145 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2021 of \$106,240,626 is measured at December 31, 2020 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Actuarial Cost Method	Entry Age Normal as a Level Percentage of Pay Actuarial Cost Method,
Discount Rate	Based on Government Obligation Index published by Bond Buyer 2.74% as December 31, 2019 and 2.12% of December 31, 2020
Inflation Rate	2.30% for both June 30, 2019 an June 30, 2020
Salary Increases	Sample rates for employees who are covered under the New Jersey Police and Firemen's Retirement System ("NJPFRS"):

Age	FY 2016-2026	FY2026+
25	8.98%	9.98%
30	5.97%	6.97%
35	4.17%	5.17%
40	3.33%	4.33%
45	2.90%	3.90%
50	2.75%	3.75%
55	2.60%	3.60%
60	2.35%	3.35%
64+	2.10%	3.10%

Sample rates for employees who are covered under the New Jersey Public Employees Retirement System ("NJPERs"):

Age	FY 2016-2026	FY2026+
20	4.15%	5.15%
25	3.90%	4.90%
30	3.65%	4.65%
35	3.40%	4.40%
40	3.15%	4.15%
45	2.90%	3.90%
50	2.65%	3.65%
55	2.40%	3.40%
60	2.15%	3.15%
65+	1.65%	2.65%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Medical Inflation (Trend Assumption)

Claim costs in future years are estimated by adjusting the starting claim costs by an assumed ongoing cost trend. Such trends are based on the health care cost trend rate adjusted for the impact of plan design, and cost containment features. Trend was calculated assuming an implied inflation rate of 2.3% per year

Year	Trend for Costs Prior to Age 65	Trend for Costs After Age 65
2021	5.70%	5.40%
2022	5.50%	5.40%
2023	5.20%	5.20%
2024	5.00%	5.00%
2025	4.90%	4.90%
2026	4.80%	4.70%
2027	4.60%	4.60%
2028	4.50%	4.50%
2029	4.40%	4.40%
2030	4.30%	4.30%
2031	4.30%	4.30%
2032	4.30%	4.30%
2033	4.40%	4.40%
2034	4.40%	4.40%
2035	4.40%	4.40%
2036	4.40%	4.40%
2037	4.40%	4.30%
2038	4.30%	4.30%
2039	4.30%	4.30%
2040	4.30%	4.30%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Medical Claims				
Age	Retirees		Spouses	
	Male	Female	Male	Female
50	21,488	26,988	24,288	27,827
55	24,528	26,215	27,266	29,791
60	28,276	28,311	31,041	32,039
64	33,846	31,291	35,917	34,614
65	9,712	9,073	9,712	9,073
70	11,608	10,495	11,608	10,495
75	13,230	11,484	13,230	11,484

2021 Annual Premiums - Medical

Coverage	Younger than 65	Older than 65
Single	9,884	7,073
2 Adults	20,786	14,843
Family	28,000	23,165
Parent and Child	15,523	13,386

2021 Annual Premiums - Prescription

Coverage	Younger than 65
Single	6,064
2 Adults	10,881
Family	14,690
Parent and Child	7,966

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Rates of Mortality

Non-Annuitants / Annuitant Mortality: Pub-2010 General Employees / Retirees Headcount-Weighted Mortality with Improvement scale MP-2021.

Survivor Mortality: Pub-2010 General Contingent Survivors Headcount-Weighted Mortality with Improvement scale MP-2021.

Rates of Turnover

Sample Rates for employees who are covered under the New Jersey Police and Firemen's Retirement System ("NJPFPS"):

Age	Years of Service		
	2	4	10+
30	2.20%	1.31%	2.40%
35	2.25%	1.31%	2.40%
40	2.25%	1.74%	2.70%
45	2.25%	2.32%	2.80%
50	2.25%	2.00%	3.00%
55	3.20%	3.20%	3.20%
60	3.20%	3.20%	3.20%
65	0.00%	0.00%	0.00%

Sample Rates for employees who are covered under the New Jersey Public Employees' Retirement System ("NJPERS"):

Age	Years of Service		
	<1	2	3+
30	14.67%	11.10%	6.11%
35	11.74%	8.80%	3.80%
40	10.52%	7.62%	2.77%
45	10.08%	7.14%	2.46%
50	9.58%	6.60%	1.85%
55	9.40%	6.26%	1.52%
60	9.40%	6.84%	1.52%
65	16.54%	16.54%	16.54%
70	0.00%	0.00%	0.00%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Rates of Retirement

Age	NJPFRS <25 YOS	NJPFRS 25+ YOS	NJPERS Rate
45	52.98%	15.40%	
46	52.98%	15.40%	
47	52.98%	15.40%	
48	56.77%	15.40%	
49	56.77%	15.40%	
50	56.77%	15.40%	
51	56.77%	15.40%	
52	56.77%	15.40%	
53	59.04%	17.48%	
54	59.04%	17.48%	
55	59.04%	17.48%	11.70%
56	66.42%	17.48%	11.70%
57	77.49%	17.48%	11.70%
58	77.49%	17.48%	11.70%
59	77.49%	22.78%	21.00%
60	77.49%	22.78%	7.80%
61	77.49%	22.78%	8.40%
62	77.49%	22.78%	13.44%
63	77.49%	22.78%	10.50%
64	77.49%	37.80%	10.50%
65	100.00%	100.00%	16.54%
66			15.75%
67			13.65%
68			11.55%
69			11.55%
70			100.00%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Rates of Disability Sample Rates for employees who are covered under the New Jersey Police and Firemen's Retirement System ("NJPFERS"):

Age	Rate
30	0.286%
35	0.571%
40	0.718%
45	0.739%
50	0.689%
55	0.881%
60	1.441%
64	2.561%

Spouse Assumption Marital status is assumed not to change prior to or after retirement. 55% of active participants retiring after the valuation date are assumed to be married and elect coverage for their spouse.

Retiree Participation 100% of eligible retirees are assumed to elect to participate in the plan

Funding Policy Pay as you go basis

Investment Rate of Return Not applicable

Asset Valuation Method Not applicable

Discount Rate - The discount rate is the single rate that reflects (1) the actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return and (2) the actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate. For the total OPEB liability calculation as of December 31, 2021, the discount rate utilized was 2.74%.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in the Total OPEB Liability - The changes to the total OPEB Liability during the year ending December 31, 2021 were as follows:

Balance, January 1, 2021	\$ <u>87,214,327</u>
Changes for the Year	
Service Cost	2,004,797
Interest Cost	2,391,949
Economic/Demographic Losses	27,178,330
Changes of Assumptions	(8,679,194)
Benefits Paid (Implicit)	<u>(3,869,583)</u>
Net Changes	<u>19,026,299</u>
Balance, December 31, 2021	\$ <u>106,240,626</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (1.12 percent) or 1-percentage pointer higher (3.12 percent) that the current discount rate:

	<u>At 1% Decrease (1.12%)</u>	<u>At Discount Rate (2.74%)</u>	<u>At 1% Increase (3.12%)</u>
Total OPEB Liability	123,596,530	106,240,626	92,328,746

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	92,243,199	106,240,626	123,871,877

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

OPEB - For the year ended December 31, 2021, the Township's OPEB expense was estimated to be \$8,278,578. At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 23,461,777
Changes of Assumptions	(11,905,526)	14,144,488
Employer Contributions after the Measurement Date	<u>0</u>	<u>0</u>
	<u>\$ (11,905,526)</u>	<u>\$ 37,606,265</u>

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

2021	\$ 3,881,832
2022	3,881,832
2023	3,881,832
2024	3,556,676
2025	3,797,899
Thereafter	<u>6,600,668</u>
	<u>\$ 25,600,739</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Other Supplementary Information

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Service Cost	\$ 2,004,797	\$ 2,401,504	\$ 1,864,737
Interest Cost	2,391,949	2,854,662	2,556,689
Economic/Demographic Losses	27,178,330	81,599	
Changes of Assumptions	(8,679,194)	15,843,548	(7,350,196)
Benefits Paid (Implicit)	<u>(3,869,583)</u>	<u>(2,359,031)</u>	<u>(2,254,548)</u>
Net Change in Total OPEB Liability	<u>19,026,299</u>	<u>18,822,282</u>	<u>(5,183,318)</u>
Total OPEB Liability, Beginning	\$ 87,214,327	\$ 68,392,045	\$ 73,575,363
Total OPEB Liability, Ending	\$ 106,240,626	\$ 87,214,327	\$ 68,392,045
Covered Payroll	\$ 15,324,571	\$ 15,835,032	\$ 15,082,892
Total OPEB Liability as a % of Covered Payroll	693.14%	550.77%	453.44%

Schedule of Funding Progress

Year Ended	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability	\$ 106,240,626	\$ 87,214,327	\$ 68,392,045
Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
Net OPEB Liability	<u>\$ 106,240,626</u>	<u>\$ 87,214,327</u>	<u>\$ 68,392,045</u>
Funded Ratio	0	0	0
Covered Payroll	\$ 15,324,571	\$ 15,835,032	\$ 15,082,892
Net OPEB Liability as a Percentage of Covered Payroll	693.14%	550.77%	453.44%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, The Township's contractually required contribution to PERS plan was \$994,311.

Net Pension Liability and Pension Expense - At December 31, 2020, the Township's proportionate share of the PERS net pension liability is valued to be \$16,853,386. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was .10335%, which was an increase of .00148% from its proportion measured as of June 30, 2019.

Collective Balances at December 31, 2020 and December 31, 2019

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Actuarial Valuation Date (including roll forward)	July 1, 2020	July 1, 2019
Deferred Outflows of Resources	\$ 2,503,912	\$ 3,375,168
Deferred Inflows of Resources	7,441,530	7,255,323
Net Pension Liability	16,853,386	18,355,021
Township's Portion of the Plan's Total		
Net Pension Liability	0.10335%	0.10187%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is a credit of \$686,405. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$994,311 to the plan in 2020.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 306,872	\$ 59,601
Changes of assumptions	546,743	7,056,672
Net difference between projected and actual earnings on pension plan investments	576,062	
Changes in proportion	<u>1,074,235</u>	<u>325,257</u>
	<u>\$ 2,503,912</u>	<u>\$ 7,441,530</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense are as follows:

<u>Year Ending December 31</u>	<u>PERS</u>
2021	\$ (1,964,996)
2022	(1,778,252)
2023	(952,034)
2024	(295,766)
2025	<u>53,430</u>
	<u>\$ (4,937,618)</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Differences between projected and actual investment earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Age
Thereafter	3.00 - 7.00% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2014 - June 30, 2018

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return (Continued)

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Municipal bond rates of 3.50% as of June 30, 2019 and 2.21% as of June 30, 2020 were used in the development of the blended GASB discount rate after the Plan's fiduciary net position was no longer sufficient to make future benefit payments, when applicable. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index. Based on the long-term rate of return of 7.00% and the municipal bond rate of 3.50% as of June 30, 2019 and the long-term rate of return of 7.00% and the municipal bond rate of 2.21% as of June 30, 2020, the blended GASB discount rates are 6.28% as of June 30, 2019 and 7.00% as of June 30, 2020. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>Decrease</u> <u>(6.00%)</u>	<u>Discount</u> <u>(7.00%)</u>	<u>Increase</u> <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 21,215,601	\$ 16,853,386	\$ 13,151,927

B. Police and Firemen's Retirement System (PFRS)

Plan Description - The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$2,135,009 for 2020.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2020, the Township's proportionate share of the PFRS net pension liability is valued to be \$27,547,273. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was .21340%, which was an increase of .00204% from its proportion measured as of June 30, 2019.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

Collective Balances at December 31, 2020 and December 31, 2019

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Actuarial Valuation Date (including roll forward)	July 1, 2020	July 1, 2019
Deferred Outflows of Resources	\$ 3,771,548	\$ 3,124,033
Deferred Inflows of Resources	9,836,702	12,089,197
Net Pension Liability	27,574,273	25,866,329
Township's Portion of the Plan's Total		
Net Pension Liability	0.21340%	0.21136%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$1,191,991. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$2,135,009 to the plan in 2020.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 277,995	\$ 98,961
Changes of assumptions	69,391	7,392,498
Net difference between projected and actual earnings on pension plan investments	1,616,809	
Changes in proportion	1,807,353	2,345,243
	<u>\$ 3,771,548</u>	<u>\$ 9,836,702</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense are as follows:

<u>Year Ending December 31</u>	<u>PFRS</u>
2021	\$ (2,686,962)
2022	(1,848,349)
2023	(816,258)
2024	(375,292)
2025	<u>(338,293)</u>
	\$ <u>(6,065,154)</u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual investment earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90

Special Funding Situation - Under 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.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers 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 non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$4,279,401 as of December 31, 2020. The net pension liability was measured as of June 30, 2020.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

Special Funding Situation (Continued)

The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The State's proportion of the net pension liability associated with the Township 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 members, actuarially determined. The State's proportion measured as of June 30, 2020 was .21340%, which was an increase of .00204% from its proportion measured as of June 30, 2019, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 27,574,273
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>4,279,401</u>
Total Net Pension Liability	\$ <u>31,853,674</u>

At December 31, 2020, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2020, measurement date was \$484,984.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25 - 15.25 Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2013 - June 30, 2018

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6 % adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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. Municipal bond rates of 3.50% as of June 30, 2019 and 2.21% as of June 30, 2020 were used in the development of the blended GASB discount rate after the Plan's fiduciary net position was no longer sufficient to make future benefit payments, when applicable. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index. Based on the long-term rate of return of 7.00% and the municipal bond rate of 3.50% as of June 30, 2019 and the long-term rate of return of 7.00% and the municipal bond rate of 2.21% as of June 30, 2020, the blended GASB discount rates are 6.85% as of June 30, 2019 and 7.00% as of June 30, 2020. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 18. PENSION OBLIGATIONS (CONTINUED)

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

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>Decrease (6.00%)</u>	<u>Discount (7.00%)</u>	<u>Increase (8.00%)</u>
Township's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 36,668,107	\$ 27,574,273	\$ 20,0021,148

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A. 43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 19. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through August 29, 2022, which is the date the financial statements were available to be issued. Based upon this evaluation the Township has determined that there are no subsequent events that need to be disclosed:

TOWNSHIP OF FREEHOLD

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH AND INVESTMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020:			
Cash and Cash Equivalents	\$	39,090,936.49	
Investments		<u>4,346,210.39</u>	
			\$ 43,437,146.88
Increased by Receipts:			
Taxes Receivable		147,218,904.80	
Tax Title Liens Receivable		709.45	
Revenue Accounts Receivable		12,441,917.58	
State of New Jersey (Ch. 20, P.L. 1971)		189,371.64	
Prepaid Taxes		950,028.63	
Tax Overpayments		72,087.84	
Interest and Costs on Taxes		243,769.50	
Prepaid Fees and Permits		14,306.00	
Interfunds:			
Other Funds		100,274.92	
Grant Fund		2,240,180.02	
Due to State for Fees Collected		86,178.00	
Prepaid Health Benefits		10,597.22	
Police Special Duty Service		830,357.66	
Miscellaneous Revenue not Anticipated		2,661,858.15	
Petty Cash		<u>1,050.00</u>	
			<u>167,061,591.41</u>
			210,498,738.29
Decreased by Disbursements:			
Budget Appropriations		35,721,499.53	
Appropriation Reserves		1,656,930.81	
Tax Overpayments Refunded		171,156.37	
Due to State for Fees Collected		89,201.00	
Special District Tax		2,347,671.00	
Municipal Open Space Tax		2,060,435.88	
County Taxes		19,548,353.87	
Local School District Taxes		72,459,237.00	
Regional School District Taxes		27,848,425.00	
Interfunds:			
Other Funds		70,462.29	
Grant Fund		551,200.55	
Reserve for Historical Preservation		779.94	
Refund of Prior Year Revenue		335.01	
Police Special Duty Service		797,279.90	
Petty Cash		<u>1,050.00</u>	
			<u>163,324,018.15</u>
Balance December 31, 2021:			
Cash and Cash Equivalents		27,041,079.58	
Investments		<u>20,148,860.79</u>	
			\$ <u>47,189,940.37</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-5

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

FOR THE YEAR ENDED DECEMBER 31, 2021

Year	Balance Dec. 31, 2020	2021 Levy	2020	2021	Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2021
2019	\$ 3,541.10	\$	\$	\$ 1,283.87	\$	\$	\$	\$ 2,257.23
2020	977,640.90		4,032.81	973,156.50	(1,500.00)		1,313.57	638.02
	981,182.00		4,032.81	974,440.37	(1,500.00)		1,313.57	2,895.25
2021		148,675,141.22	1,024,119.24	146,244,464.43	190,898.63	7,908.29	65,758.36	1,141,992.27
	\$ 981,182.00	\$ 148,675,141.22	\$ 1,028,152.05	\$ 147,218,904.80	\$ 189,398.63	\$ 7,908.29	\$ 67,071.93	\$ 1,144,887.52
Levy		\$ 148,643,310.36						
Delinquent Penalty		31,830.86						
		\$ 148,675,141.22						

Overpayments Applied	\$ 84,411.16
Prepaid Taxes	943,740.89
	<u>\$ 1,028,152.05</u>

Analysis of 2021 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 145,672,822.99
Special District Taxes	2,403,872.39
Added and Omitted Taxes	<u>566,614.98</u>
	\$ 148,643,310.36

Tax Levy:

Regional School Tax (Abstract)	\$ 28,322,253.00
Local School District Tax (Abstract)	72,792,206.00
County Tax (Abstract)	
County Library Tax (Abstract)	\$ 16,258,084.86
County Open Space Tax (Abstract)	1,220,355.12
Due County for Added and Omitted Taxes	1,954,852.81
Total County Taxes	<u>74,585.13</u>
Special District Taxes	
Local Open Space Tax	19,507,877.92
Local Tax for Municipal Purposes	2,347,671.00
Add: Additional Tax Levied	2,060,435.88
	<u>23,032,983.00</u>
	<u>579,883.56</u>
	\$ 148,643,310.36

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAX TITLE LIENS

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020		\$ 396,104.30
Increased by:		
Transfers from Taxes Receivable		<u>7,908.29</u>
		404,012.59
Decreased by:		
Collections	\$ 709.45	
Transfers to Foreclosed Property	<u>101,715.37</u>	
		<u>102,424.82</u>
Balance December 31, 2021		<u>\$ 301,587.77</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-7

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Accrued in</u> <u>2021</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Licenses	\$			\$
Alcoholic Beverages		45,688.00	45,688.00	
Other		26,102.00	26,102.00	
Fees and Permits		297,021.00	297,021.00	
Uniform Construction Code Fees		1,360,062.00	1,360,062.00	
Municipal Court				
Fines and Costs	63,931.44	948,395.03	923,787.90	88,538.57
State Aid				
Energy Receipts Tax		7,418,109.00	7,418,109.00	
Garden State Trust		28,036.00	28,036.00	
Other				
Cable Television Franchise Fees - Cablevision		294,879.00	294,879.00	
Fund Balance - General Capital Fund		65,228.00	65,228.00	
Hotel/Motel Tax		134,748.65	134,748.65	
Interest on Investments and Deposits		208,321.18	208,321.18	
Shared Services Agreements:				
Automotive Services		55,934.65	55,934.65	
Board of Health		358,428.50	358,428.50	
Board of Health - Visiting Nurse		6,820.00	6,820.00	
Diesel Fuel		150,782.23	150,782.23	
Information Technology		312,510.75	312,510.75	
Licensed Operator		97,505.20	97,505.20	

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-7

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Sheet 2 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance Dec. 31, 2020</u>	<u>Accrued in 2021</u>	<u>Collected</u>	<u>Balance Dec. 31, 2021</u>
Other (Continued)				
Shared Services Agreements (Continued):				
Police Services - School Security	\$	\$ 102,017.12	\$ 102,017.12	\$
Western Monmouth Active Shooter		9,738.00	9,738.00	
Payments in Lieu of Taxes		135,990.60	135,990.60	
Reserve for Detention Basin		100,000.00	100,000.00	
Reserve for Municipal Alliance		6,575.00	6,575.00	
Uniform Fire Safety Act		106,812.29	106,812.29	
Verizon Franchise Fees		226,422.51	226,422.51	
	<u>\$ 63,931.44</u>	<u>\$ 12,496,126.71</u>	<u>\$ 12,471,519.58</u>	<u>\$ 88,538.57</u>
Receipts				
Interfund - Other Trust Fund			\$ 12,441,917.58	
Prepaid Applied			6,575.00	
			<u>23,027.00</u>	
			<u>\$ 12,471,519.58</u>	

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 6

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>APPROPRIATIONS WITHIN CAPS</u>					
Administrative and Executive					
Salaries and Wages	\$ 15,438.62	\$	\$ 15,438.62	\$	\$ 15,438.62
Other Expenses	9,029.50	253.50	9,283.00	253.50	9,029.50
Public Information Office					
Salaries and Wages	23,835.31		23,835.31		23,835.31
Other Expenses	6,121.91		6,121.91	191.91	5,930.00
Purchasing Department					
Salaries and Wages	12,622.19		12,622.19		12,622.19
Other Expenses	9,309.05	4,203.69	13,512.74	4,203.69	9,309.05
Human Resources					
Salaries and Wages	7,850.64		7,850.64		7,850.64
Other Expenses	22,503.88		22,503.88	1,143.00	21,360.88
Mayor and Township Committee					
Salaries and Wages	1,201.60		1,201.60		1,201.60
Other Expenses	7,078.88	4,697.00	11,775.88	11,233.49	542.39
Municipal Clerk					
Salaries and Wages	147.81		147.81		147.81
Other Expenses	18,556.09	2,357.71	20,913.80	4,009.39	16,904.41
Elections					
Salaries and Wages	1,000.00		1,000.00		1,000.00
Other Expenses	5,268.00	1,200.00	6,468.00	1,200.00	5,268.00
Financial Administration					
Salaries and Wages	145.46		145.46		145.46
Other Expenses	4,706.17	1,050.60	5,756.77	1,678.11	4,078.66
Audit					
Information Technology					
Salaries and Wages	281.69		281.69		281.69
Other Expenses	80,607.02	14,504.50	95,111.52	14,455.13	80,656.39

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 6

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2020</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
	\$	\$	\$	\$	\$
Revenue Administration (Collection of Taxes)	204.99	-	204.99	-	204.99
Salaries and Wages	5,528.31	-	5,528.31	152.24	5,376.07
Other Expenses					
Assessment of Taxes	4,750.10	-	4,750.10	-	4,750.10
Salaries and Wages	30,891.65	-	41,891.65	39,819.39	2,072.26
Other Expenses					
Legal Services and Costs	68,770.53	2,250.00	60,020.53	43,809.58	16,210.95
Other Expenses					
Affordable Housing Services and Costs	45,884.84	-	45,884.84	13,698.25	32,186.59
Other Expenses					
Engineering Services and Costs	38,975.74	-	38,975.74	-	38,975.74
Salaries and Wages	11,783.39	73.00	11,856.39	1,573.90	10,282.49
Other Expenses					
Historical Preservation	3,452.05	1,867.11	5,319.16	1,850.00	3,469.16
Other Expenses					
Municipal Land Use Law					
Planning Board	74.52	-	74.52	-	74.52
Salaries and Wages	39,603.21	796.90	40,400.11	1,537.90	38,862.21
Other Expenses					
Insurance					
Other Insurance	196.73	-	196.73	-	196.73
Workmen's Compensation	4,745.56	-	4,745.56	-	4,745.56
Group Insurance for Employees	617,353.50	225,641.51	842,995.01	784,553.56	58,441.45
Health Benefit Waiver	41,312.50	-	41,312.50	-	41,312.50
Code Enforcement					
Salaries and Wages	11,970.37	-	11,970.37	-	11,970.37
Other Expenses	3,799.50	-	3,799.50	-	3,799.50
Police					
Salaries and Wages	965,367.00	-	965,367.00	113,668.60	851,698.40
Salaries and Wages - School Security Detail	61,230.00	-	61,230.00	-	61,230.00
Other Expenses	143,986.48	252,599.43	396,585.91	243,956.15	152,629.76

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 6

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2020</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Office of Emergency Management					
Salaries and Wages	\$ 1,604.81	\$	\$ 1,604.81		\$ 1,604.81
Other Expenses	500.00		500.00		500.00
Bureau of Fire Protection					
Salaries and Wages	15,101.80		15,101.80		15,101.80
Other Expenses	4,869.20		4,869.20		4,869.20
Uniform Fire Safety Act					
Salaries and Wages	13,050.00		13,050.00		13,050.00
Other Expenses	5,966.01	7,033.99	13,000.00	7,033.99	5,966.01
Municipal Prosecutor					
Other Expenses	232.96	6,013.92	6,246.88	6,013.92	232.96
Road Repair and Maintenance					
Salaries and Wages	82,807.42		82,807.42		82,807.42
Other Expenses	104,962.02	65,628.46	170,590.48	3,485.89	167,104.59
Snow Removal					
Salaries and Wages	109,808.57		109,808.57		109,808.57
Other Expenses	21,708.46	201,990.74	223,699.20	217,581.87	6,117.33
Shade Tree Commission					
Salaries and Wages	30.44		30.44		30.44
Other Expenses	13,999.31	1,200.00	15,199.31	1,200.00	13,999.31
Recycling					
Salaries and Wages	77,356.17		77,356.17		77,356.17
Other Expenses	51,601.67	79,367.50	130,969.17	55,518.82	75,450.35
Public Building and Grounds					
Salaries and Wages	23,534.13		23,534.13		23,534.13
Other Expenses	12,025.26	23,316.46	35,341.72	27,888.35	7,453.37

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 6

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2020</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Equipment Maintenance and Repair					
Salaries and Wages	\$ 11,330.68	\$	\$ 11,330.68		\$ 11,330.68
Other Expenses	25,946.09	109,734.38	135,680.47	31,197.70	104,482.77
Condominium Services Act					
Other Expenses	9,208.60		9,208.60	(1,041.08)	10,249.68
Board of Health					
Salaries and Wages	7,264.88		7,264.88	(7,218.34)	14,483.22
Other Expenses	45,184.00	166.00	45,350.00	8,004.80	37,345.20
Environmental Commission					
Other Expenses	400.00		400.00		400.00
Board of Recreation Commissioners					
Salaries and Wages	50,977.14		50,977.14		50,977.14
Other Expenses	758.20	15,647.03	16,405.23	9,757.16	6,648.07
Senior Center					
Salaries and Wages	34,574.15		34,574.15		34,574.15
Other Expenses	24,593.39	185.00	24,778.39	220.54	24,557.85
Municipal Court					
Salaries and Wages	38,691.69		38,691.69		38,691.69
Other Expenses	9,653.82	364.36	10,018.18	918.26	9,099.92
State Uniform Construction Code Official					
Salaries and Wages	9,854.93		9,854.93		9,854.93
Other Expenses	8,202.42		8,202.42	661.72	7,540.70
Utilities:					
Electricity	65,102.21	900.00	66,002.21	18,127.14	47,875.07
Street Lighting	73,482.28		73,482.28	20,801.14	52,681.14
Telephone	4,442.05	91.03	4,533.08	182.68	4,350.40
Water and Sewer	31,458.73		31,458.73	249.73	31,209.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 6

FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Utilities (Continued):					
Natural Gas	\$ 14,675.73	\$ 131.39	\$ 14,807.12	\$ 14,500.66	\$ 306.46
Gasoline	114,679.19	57,247.14	171,926.33	52,692.97	119,233.36
Contingent	1.00		1.00		1.00
Contribution to:					
Public Employees Retirement System	3,788.13		3,788.13	518.75	3,269.38
Social Security System	73,061.59		73,061.59		73,061.59
Unemployment Compensation Insurance	50,000.00		50,000.00		50,000.00
Defined Contribution Retirement Program	41.15	673.01	714.16	673.01	41.15
Total Appropriations within Caps	<u>3,578,470.07</u>	<u>1,081,185.36</u>	<u>4,659,655.43</u>	<u>1,751,957.47</u>	<u>2,907,697.96</u>
<u>APPROPRIATIONS OUTSIDE CAPS</u>					
Length of Service Awards Program (LOSAP)	25,000.00		25,000.00		25,000.00
Local Matching Fund for Grants	500.00		500.00		500.00
Shared Services Agreements					
Board of Health					
Salaries and Wages	4,923.43		4,923.43		4,923.43
Other Expenses	17,166.19	75.00	17,241.19	3,359.50	13,881.69
Board of Health - VNA Health Group					
Salaries and Wages	4,866.35		4,866.35		4,866.35
Other Expenses	23.97		23.97		23.97
Board of Health - Monmouth Regional HICMC					
Salaries and Wages	2,830.58		2,830.58		2,830.58
Other Expenses	1,880.70		1,880.70		1,880.70
Board of Health - Lead Inspector					
Salaries and Wages	1,863.81		1,863.81		1,863.81
Other Expenses	1,172.89		1,172.89		1,172.89
Information Technology					
Salaries and Wages	18.03		18.03		18.03

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 6 of 6

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Shared Services Agreements (Continued)					
Licensed Operations Services					
Salaries and Wages	\$ 7,344.77	\$	\$ 7,344.77	\$	\$ 7,344.77
Road Repairs and Maintenance					
Fuel Oil					
Other Expenses	22,145.49		22,145.49		22,145.49
Equipment Maintenance					
Other Expenses	3,805.92		3,805.92		3,805.92
Police - Security Detail					
Salaries and Wages	48,034.00		48,034.00		48,034.00
Western Monmouth Active Shooter					
Other Expenses	1,317.42	459.44	1,776.86	488.44	1,288.42
Construction Code - Borough of Freehold					
Other Expenses	824.00	14,794.00	15,618.00	14,794.00	824.00
Municipal Court - Township of Marlboro					
Salaries and Wages	635.68		635.68		635.68
Total Appropriations outside Caps	<u>\$ 144,353.23</u>	<u>\$ 15,328.44</u>	<u>\$ 159,681.67</u>	<u>\$ 18,641.94</u>	<u>\$ 141,039.73</u>
Total General Appropriations	<u>\$ 3,722,823.30</u>	<u>\$ 1,096,513.80</u>	<u>\$ 4,819,337.10</u>	<u>\$ 1,770,599.41</u>	<u>\$ 3,048,737.69</u>
Disbursed			\$ 1,656,930.81		
Accounts Payable			<u>113,668.60</u>		
			\$ 1,770,599.41		

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-9

SCHEDULE OF COUNTY TAXES PAYABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020		\$	115,061.08
2021 Tax Levy:			
County Tax	\$	16,258,084.86	
County Library Tax		1,220,355.12	
County Open Space Tax		1,954,852.81	
County Share of Added and Omitted Taxes		<u>74,585.13</u>	
			<u>19,507,877.92</u>
			<u>19,622,939.00</u>
Decreased by:			
Disbursements			<u>19,548,353.87</u>
Balance December 31, 2021	\$		<u><u>74,585.13</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-10

SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020:			
School Tax Payable	\$ 10,785,719.02		
School Tax Deferred	<u>25,566,589.00</u>		
		\$	<u>36,352,308.02</u>
Increased by:			
Levy - School Year July 1, 2021 to June 30, 2022			<u>72,792,206.00</u>
			<u>109,144,514.02</u>
Decreased by:			
Disbursements			<u>72,459,237.00</u>
Balance December 31, 2021:			
School Tax Payable	11,118,688.02		
School Tax Deferred	<u>25,566,589.00</u>		
		\$	<u><u>36,685,277.02</u></u>
2021 Liability for Local District School Tax:			
Tax Paid		\$	72,459,237.00
Tax Payable December 31, 2021			<u>11,118,688.02</u>
			<u>83,577,925.02</u>
Less: Tax Payable December 31, 2020			<u>10,785,719.02</u>
Amount Charged to 2021 Operations		\$	<u><u>72,792,206.00</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-11

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX PAYABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020:	
School Tax Payable	\$ 14,103,966.40
Increased by:	
Levy - School Year July 1 2021 to June 30, 2022	28,322,253.00
	<u>42,426,219.40</u>
Decreased by:	
Disbursements	<u>27,848,425.00</u>
Balance December 31, 2021:	
School Tax Payable	\$ <u>14,577,794.40</u>
2021 Liability for Local District School Tax:	
Tax Paid	\$ 28,435,474.00
Tax Payable December 31, 2021	14,577,794.40
	<u>43,013,268.40</u>
Less: Tax Payable December 31, 2020	<u>14,103,966.40</u>
Amount Charged to 2021 Operations	\$ <u>28,909,302.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-12

SCHEDULE OF INTERFUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Total</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Utility Operating Fund</u>	<u>Payroll Fund</u>
Balance December 31, 2020 - Due From/(To)	\$ <u>302,575.14</u>	\$ <u>18,111.69</u>	\$ <u>202,300.22</u>	\$ _____	\$ <u>82,163.23</u>
Increased by:					
Disbursements	70,462.29		68,684.41	1,777.88	
Budget Appropriations	253,447.85				253,447.85
Excess Statutory of Animal Control Reserve	28,871.97	28,871.97			
Revenue Accounts Receivable	6,575.00		6,575.00		
Total Increases	<u>359,357.11</u>	<u>28,871.97</u>	<u>75,259.41</u>	<u>1,777.88</u>	<u>253,447.85</u>
Total Increases and Balances	<u>661,932.25</u>	<u>46,983.66</u>	<u>277,559.63</u>	<u>1,777.88</u>	<u>335,611.08</u>
Decreased by:					
Receipts	<u>100,274.92</u>	<u>18,111.69</u>			<u>82,163.23</u>
Balance December 31, 2021 - Due From/(To)	\$ <u>561,657.33</u>	\$ <u>28,871.97</u>	\$ <u>277,559.63</u>	\$ <u>1,777.88</u>	\$ <u>253,447.85</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUND

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020 - Due To			\$ 430,484.29
Increased by:			
Deposited in Current Fund:			
Grants Receivable	\$ 428,158.01		
Unappropriated Reserves	<u>1,812,022.01</u>		
		\$ 2,240,180.02	
Cancelled Grants Receivable		3,600.00	
2021 Budget Appropriations		<u>909,246.31</u>	
			<u>3,153,026.33</u>
			<u>3,583,510.62</u>
Decreased by:			
Cancelled Appropriated Reserves		3,600.00	
2021 Anticipated Revenue		902,671.31	
Disbursed in Current Fund		<u>551,200.55</u>	
			<u>1,457,471.86</u>
Balance December 31, 2021 - Due To			\$ <u><u>2,126,038.76</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-14

SCHEDULE OF GRANTS RECEIVABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Anticipated Revenue</u>	<u>Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2021</u>
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse	\$ 16,820.00	\$ 26,300.00	\$ 16,820.00	\$	\$ 26,300.00
Body Armor Fund		5,042.32	5,042.32		
Body Worn Cameras		161,002.00			161,002.00
Certified Local Government Grant					
Childhood Lead Exposure	34,952.35		25,244.38		9,707.97
Clean Communities Program		80,520.11	80,520.11		
Drunk Driving Enforcement Fund		5,367.67	5,367.67		
Local Public Health Grant		142,236.00	142,236.00		
Recycling Tonnage Grant		90,730.37	90,730.37		
Safe and Secure Communities Program		32,400.00	32,400.00		
Strengthen Public Health		291,042.00			291,042.00
Federal Grants:					
Bulletproof Vests	2,883.53	4,812.50	5,300.90		2,395.13
Distracted Driving		6,000.00	2,400.00	3,600.00	
Other Grants:					
COVID-19 Grant		7,218.34	7,218.34		
COVID-19 Grant - Supplemental Funding		50,000.00			50,000.00
NJ Health Officers Association Grant	14,877.92		14,877.92		
	<u>\$ 69,533.80</u>	<u>\$ 902,671.31</u>	<u>\$ 428,158.01</u>	<u>\$ 3,600.00</u>	<u>\$ 540,447.10</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-15

Sheet 1 of 2

**SCHEDULE OF APPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Transferred from 2021 Budget Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2021</u>
State Grants:						
Alcohol Education and Rehabilitation						
2012 Grant Award	\$ 161.89	\$	\$		\$	\$ 161.89
Alliance to Prevent Alcoholism and Drug Abuse						
2020-21 Grant Award	15,613.57			15,613.57		
2021-22 Grant Award			32,875.00	18,015.90		14,859.10
Body Armor Replacement						
2018 Grant Award		3,953.21		3,953.21		
2020 Grant Award	1,973.35	4,066.33		6,039.68		
2021 Grant Award			5,042.32	5,042.32		
Body Worn Camera Grant						
2021 Grant Award			161,002.00	79,766.00		81,236.00
Childhood Lead Exposure						
2019-20 Grant Award	7,788.05			292.50		7,495.55
2020-21 Grant Award	20,234.79	112.00		20,346.79		
Clean Communities Program						
2018 Grant Award	1,032.51			1,020.00		12.51
2019 Grant Award	35,250.45			28,712.54		12,818.19
2020 Grant Award	49,671.08	14,400.00		42,985.45		21,085.63
2021 Grant Award			80,520.11	39,401.31		41,118.80
Drunk Driving Enforcement Fund						
2018 Grant Award	446.74	179.00		625.74		4,040.67
2019 Grant Award	5,990.67			1,950.00		7,598.31
2020 Grant Award	7,967.40			369.09		5,367.67
2021 Grant Award			5,367.67			
Local Public Health Grant						
2021 Grant Award			142,236.00	142,236.00		
Recycling Tonnage Grant						
2016 Grant Award	28.89					28.89
2017 Grant Award	36,434.33	6,995.19		17,925.35		25,504.17
2018 Grant Award	99,958.98			900.00		99,058.98

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-15

SCHEDULE OF APPROPRIATED RESERVES

Sheet 2 of 2

GRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Transferred</u> <u>from</u> <u>2021 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
State Grants (Continued):						
Recycling Tonnage Grant (Continued)						
2019 Grant Award	\$ 91,379.35	\$ 500.00		\$ 2,100.00	\$	\$ 89,779.35
2020 Grant Award	84,274.43			2,621.21		81,653.22
2021 Grant Award			90,730.37			90,730.37
Safe and Secure Communities Program						
2021 Grant Award			32,400.00	32,383.03		16.97
Strengthen Public Health						
2022 Grant Award			291,042.00	132,079.57		158,962.43
Federal Grants:						
Bulletproof Vests						
2020 Grant Award		2,582.26		2,582.26		
2021 Grant Award			4,812.50	4,812.50		
Distracted Driving						
2021 Grant Award			6,000.00	2,400.00	3,600.00	
Other Grants:						
COVID-19 Grant	904.16					
COVID-19 Grant - Supplemental Funding		1,839.18		2,743.34		
NJ ACCHO Grants:			50,000.00	25,385.74		24,614.26
Public Health Training Grant			7,218.34	7,218.34		
	<u>\$ 459,110.64</u>	<u>\$ 40,907.45</u>	<u>\$ 909,246.31</u>	<u>\$ 639,521.44</u>	<u>\$ 3,600.00</u>	<u>\$ 766,142.96</u>
Interfund - Current Fund						
Reserve for Encumbrances				\$ 551,200.55		
				<u>88,320.89</u>		
				<u>\$ 639,521.44</u>		

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-16

SCHEDULE OF UNAPPROPRIATED RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Grant</u>	<u>Received</u>	<u>Balance Dec. 31, 2021</u>
Federal Grant:			
American Rescue Plan		\$ <u>1,812,022.01</u>	\$ <u>1,812,022.01</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2020	\$ 80,115.88	\$ 14,682,304.42
Increased by Receipts:		
Due to State of New Jersey	\$ 2,496.60	\$
Licenses and Other Fees	18,136.61	
Interfunds		8,974,193.63
Grant Receivable		53,400.00
Due from State of New Jersey		20,156.23
Miscellaneous Reserves	20,633.21	6,964,734.03
	<u>100,749.09</u>	<u>16,012,483.89</u>
Decreased by Disbursements:		<u>30,694,788.31</u>
Due to State of New Jersey	2,479.80	
Animal Control Trust Fund Expenditures	5,989.97	
Interfunds	18,111.69	8,905,509.22
Miscellaneous Reserves		<u>7,186,172.98</u>
	<u>26,581.46</u>	<u>16,091,682.20</u>
Balance December 31, 2021	<u>\$ 74,167.63</u>	<u>\$ 14,603,106.11</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

ANIMAL CONTROL TRUST FUND

Exhibit B-2

SCHEDULE OF DUE TO STATE OF NEW JERSEY

FOR THE YEAR ENDED DECEMBER 31, 2021

Increased by:		
Fees Collected		\$ 2,496.60
Decreased by:		
Payments to State of New Jersey		<u>2,479.80</u>
Balance December 31, 2021		\$ <u><u>16.80</u></u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Exhibit B-3

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020			\$ 48,832.99
Increased by:			
2021 License and Other Fees Collected	\$ 18,136.61		
Prepaid Licenses Applied	<u>13,171.20</u>		
			<u>31,307.81</u>
Decreased by:			<u>80,140.80</u>
Expenditures Under R.S. 4:19-15.11	5,989.97		
Statutory Excess Due Current Fund	<u>28,871.97</u>		
			<u>34,861.94</u>
Balance December 31, 2021			\$ <u><u>45,278.86</u></u>

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ <u>23,165.11</u>
2020	<u>22,113.75</u>
	\$ <u><u>45,278.86</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

ANIMAL CONTROL TRUST FUND

Exhibit B-4

SCHEDULE OF INTERFUND - CURRENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020 - Due To	\$ 18,111.69
Increased by:	
Statutory Excess	<u>28,871.97</u>
	46,983.66
Decreased by:	
Disbursed	<u>18,111.69</u>
Balance December 31, 2021 - Due To	\$ <u><u>28,871.97</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

OTHER TRUST FUND

Exhibit B-5

SCHEDULE OF RESERVES AND SPECIAL DEPOSITS

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Reserves</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Arboretum	\$ 16,962.46	\$ 5,100.00	\$ 818.44	\$ 21,244.02
Board of Recreation Commissioners	848,876.78	1,101,873.51	907,123.59	1,043,626.70
Construction Code Dedicated Penalties	93,554.37	5,135.21		98,689.58
Deposits for Redemption of Tax Sale Certificates		623,668.57	623,668.57	
Detention Project	477,912.85		477,912.85	
Escrow Deposits	2,206,197.61	1,211,576.25	788,542.61	2,629,231.25
Historical Preservation	846.46	40.00		886.46
Monument Bonds	1,500.00	3,250.00		4,750.00
Mount Laurel Housing Trust	881,007.04	475,899.36	40,322.35	1,316,584.05
Municipal Drug Alliance Fund	45,309.93	55,184.00	33,664.58	66,829.35
Open Space	2,100,357.17	2,065,042.52	1,355,579.75	2,809,819.94
Parking Offenses Adjudication Act	267.82	898.00		1,165.82
Premiums Received at Tax Sale	1,848,800.00	524,700.00	1,343,900.00	1,029,600.00
Public Defender	3,320.26	38,110.00	35,347.37	6,082.89
Public Safety Donation	14,564.68		4,792.00	9,772.68
Road Projects	402,919.26			402,919.26
Self Insurance	3,804,061.90			3,804,061.90
Shade Tree Donations	89,839.98	231,203.69	1,389,991.92	2,645,273.67
Shade Tree Escrow	289,191.57	2,000.00	29,425.00	62,414.98
Sick Leave Trust	11,502.32	102,480.00		391,671.57
Sidewalks and Curbs	197,224.99	75,000.00		12,284.55
Special Law Enforcement Fund	38,270.96	4,182.00	74,217.77	182,963.69
Storm Recovery	950,256.81	95.52	18,443.30	38,366.48
Street Opening Bonds	41,734.77	422,818.81	27,906.64	1,345,168.98
Unemployment Trust	133,990.17	10,000.00	11,300.00	40,434.77
Uniform Fire Safety Act Penalty Monies 2:12	1,040.29	55,469.97	26,161.24	163,298.90
Uniform Fire Safety Act Penalty Monies 2:12A	1,336.73	2,206.62	3,246.91	1,336.73
	<u>\$ 14,500,847.18</u>	<u>\$ 7,018,134.03</u>	<u>\$ 7,192,747.98</u>	<u>\$ 14,326,233.23</u>
Receipts		\$ 6,964,734.03		
Grant Received		<u>53,400.00</u>		
		<u>\$ 7,018,134.03</u>		
Disbursements			\$ 7,186,172.98	
Interfund - Current Fund			<u>6,575.00</u>	
			<u>\$ 7,192,747.98</u>	

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

OTHER TRUST FUND

Exhibit B-6

SCHEDULE OF INTERFUND - CURRENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020 - Due To Current		\$ 202,300.22
Increased by:		
Receipts	\$ 8,974,193.63	
Miscellaneous Reserves	<u>6,575.00</u>	
		<u>8,980,768.63</u>
		9,183,068.85
Decreased by:		
Disbursements		<u>8,905,509.22</u>
Balance December 31, 2021 - Due To Current		\$ <u><u>277,559.63</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020		\$ 9,345,949.47
Increased by Receipts:		
Premium on Sale of Notes	\$ 96,695.94	
Premium on Sale of Bonds	225,319.26	
Interfunds	624,491.35	
Serial Bonds	11,253,000.00	
Bond Anticipation Notes	11,340,000.00	
Grants Receivable	300,000.00	
Budget Appropriations:		
Capital Improvement Fund	400,000.00	
		<u>24,239,506.55</u>
		33,585,456.02
Decreased by Disbursements:		
Capital Fund Balance to Current Fund	65,228.00	
Interfunds	624,491.35	
Bond Anticipation Notes	9,200,000.00	
Improvement Authorizations	4,358,991.07	
		<u>14,248,710.42</u>
Balance December 31, 2021		\$ <u><u>19,336,745.60</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO

FUTURE TAXATION - FUNDED

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020		\$ 25,369,794.22
Increased by:		
Serial Bonds Issued		<u>11,253,000.00</u>
		36,622,794.22
Decreased by:		
2021 Budget Appropriations:		
Principal on Serial Bonds	\$ 3,430,000.00	
Green Trust Loan	<u>74,263.48</u>	
		<u>3,504,263.48</u>
Balance December 31, 2021		<u>\$ 33,118,530.74</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

FOR THE YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Serial Bonds Issued	Budget Appropriations	Balance Dec. 31, 2021	Analysis of Balance Dec. 31, 2021	
							Bond Anticipation Notes	Unexpended Improvement Authorizations
07-14, 08-29	Various Improvements	\$ 767,915.00	\$		\$	\$ 767,915.00	\$	\$ 767,915.00
09-16	Various Improvements	1,028,000.00				1,028,000.00		1,028,000.00
10-21	Various Improvements	1,193,000.00				1,193,000.00		1,193,000.00
11-20	Various Improvements	950,000.00	509,000.00			441,000.00		441,000.00
12-12	Various Improvements	1,026,555.00				1,026,555.00		1,026,555.00
14-05	Various Improvements	2,740,662.70				2,740,662.70		2,740,662.70
15-10	Various Improvements	5,115,069.30		86,000.00	82,000.00	4,947,069.30		4,943,239.76
16-12	Various Improvements	2,538,300.00		585,000.00	425,400.00	1,527,900.00		1,527,900.00
17-06	Various Improvements	3,928,800.00		65,000.00	2,600.00	3,861,200.00		3,861,200.00
18-07	Various Improvements	2,914,000.00		1,890,000.00	90,000.00	934,000.00		934,000.00
19-10	Various Improvements	7,472,500.00		6,000,000.00		1,472,500.00		1,132,500.00
20-10	Various Improvements	4,791,800.00		2,118,000.00		2,673,800.00		1,473,800.00
21-06	Various Improvements		13,687,000.00			13,687,000.00		2,687,000.00
		\$ 34,466,602.00	\$ 13,687,000.00	\$ 11,253,000.00	\$ 600,000.00	\$ 36,300,602.00	\$ 12,540,000.00	\$ 23,756,772.46

Improvement Authorizations Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes:

Ordinance Number	Improvement Description	Amount
19-10	Renovations to Municipal Complex	\$ 340,000.00
20-10	Various Improvements	973,844.56
21-06	Various Improvements	11,000,000.00
		<u>12,313,844.56</u>
		\$ 23,756,772.46

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF GENERAL SERIAL BONDS

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2020	Issued	Decreases	Balance Dec. 31, 2021
			Outstanding Dec. 31, 2021	Amount					
Open Space Refunding Bonds	12/16/2009	\$ 475,000	10/01/2022	\$ 60,000	3.500%	\$ 40,000.00	\$	\$	
Open Space Refunding Bonds	10/01/2012	630,000	10/1/2023-24	65,000	3.500%	250,000.00	60,000.00	190,000.00	
General Obligation Bonds	12/01/2013	5,640,000	12/01/2022	450,000	3.000%				
			12/01/2023	465,000	3.000%				
			12/01/2024	480,000	3.000%				
			12/01/2025	495,000	3.000%				
			12/01/2026	515,000	3.250%	2,845,000.00	440,000.00	2,405,000.00	
General Obligation Refunding Bonds	9/10/2015	1,970,000				490,000.00	490,000.00		
Open Space Refunding Bonds	9/10/2015	1,560,000	7/15/2022	285,000	3.000%	605,000.00	320,000.00	285,000.00	
General Obligation Bonds	12/11/2015	8,258,000	11/01/2022	690,000	2.000%				
			11/01/2023	705,000	2.000%				
			11/01/2024	725,000	2.000%				
			11/01/2025	740,000	2.125%				
			11/01/2026	765,000	2.250%				
General Obligation Refunding Bonds*	3/24/2016	2,345,000	11/01/2027	785,000	2.375%	5,090,000.00	680,000.00	4,410,000.00	
General Obligation Bonds	11/08/2017	6,910,000	12/01/2022	485,000	5.000%				
			12/01/2023	510,000	5.000%	1,460,000.00	465,000.00	995,000.00	
			9/15/2022	680,000	3.000%				
			9/15/2023	690,000	3.000%				
			9/15/2024	705,000	2.000%				
		9/15/2025	720,000	2.000%					
		9/15/2026	740,000	2.125%					
		9/15/2027	750,000	2.250%					
		9/15/2028	750,000	2.375%	5,535,000.00	500,000.00	5,035,000.00		

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF GENERAL SERIAL BONDS

Sheet 2 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Issued</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2021</u>
			<u>Outstanding Dec. 31, 2021</u>	<u>Amount</u>					
General Obligation Bonds	11/04/2019	\$ 9,060,000	10/15/2022	\$ 750,000	2.000%				
			10/15/2023	765,000	2.000%				
			10/15/2024	780,000	2.000%				
			10/15/2025	800,000	3.000%				
			10/15/2026	815,000	4.000%				
			10/15/2027	830,000	4.000%				
			10/15/2028	845,000	4.000%				
			10/15/2029	865,000	1.000%				
			10/15/2030-31	870,000	1.000%	\$ 8,625,000.00		\$ 435,000.00	\$ 8,190,000.00
General Obligation Bonds	10/28/2021	11,253,000	10/15/2022	583,000	0.500%				
			10/15/2023	705,000	0.500%				
			10/15/2024	1,060,000	0.500%				
			10/15/2025	1,070,000	1.000%				
			10/15/2026	1,080,000	1.000%				
			10/15/2027	1,090,000	2.000%				
			10/15/2028	1,105,000	2.000%				
			10/15/2029	1,115,000	2.000%				
			10/15/2030	1,130,000	2.000%				
			10/15/2031	1,150,000	2.000%				
			10/15/2032	1,165,000	2.000%		11,253,000.00		11,253,000.00
						\$ 24,940,000.00	\$ 11,253,000.00	\$ 3,430,000.00	\$ 32,763,000.00

* M.C.I.A. Bonds

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

Improvement Description	Date of Issue	Original Issue	Maturities of Loan		Interest Rate	Balance Dec. 31, 2020	Paid by Budget Appropriation	Balance Dec. 31, 2021
			Outstanding Date	Amount				
Opatut Park Development	October 2005	\$ 400,000.00	See Amortization Statement		2.00%	\$ 106,532.45	\$ 22,856.35	\$ 83,676.10
Opatut Park Development	September 2007	600,000.00	See Amortization Statement		2.00%	201,970.01	35,096.86	166,873.15
Opatut Park Development	March 2008	300,000.00	See Amortization Statement		2.00%	121,291.76	16,310.27	104,981.49
						\$ 429,794.22	\$ 74,263.48	\$ 355,530.74

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Sheet 2 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
February 2022	\$ 17,812.10	\$ 1,668.73
April 2022	11,599.88	836.76
May 2022	8,277.66	1,049.81
August 2022	17,990.22	1,490.61
October 2022	11,715.88	720.76
November 2022	8,360.44	967.04
February 2023	18,170.12	1,310.71
April 2023	11,833.04	603.60
May 2023	8,444.04	883.43
August 2023	18,351.82	1,129.01
October 2023	11,951.37	485.27
November 2023	8,528.49	798.99
February 2024	18,535.34	945.49
April 2024	12,070.88	365.76
May 2024	8,613.77	713.71
August 2024	18,720.69	760.14
October 2024	12,191.59	245.05
November 2024	8,699.91	627.57
February 2025	18,907.90	572.93
April 2025	12,313.46	123.14
May 2025	8,786.91	540.57
August 2025	19,096.98	383.85
November 2025	8,874.78	452.70
February 2026	19,287.98	192.88
May 2026	8,963.52	363.95
November 2026	9,053.16	274.32
May 2027	9,143.69	183.79
November 2027	9,235.12	92.35
	<u>\$ 355,530.74</u>	<u>\$ 18,782.92</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF BOND ANTICIPATION NOTES

FOR THE YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Issued for Cash	Decreased by		Balance Dec. 31, 2021
							Budget Appropriations	Serial Bonds	
15-10	Various Improvements	11/03/2020			\$ 82,000.00	\$	\$ 82,000.00	\$	\$
16-12	Various Improvements	11/18/2016			271,800.00		271,800.00		
16-12	Various Improvements	11/08/2017			178,500.00		153,600.00	24,900.00	
16-12	Various Improvements	11/04/2019			127,100.00			127,100.00	
17-06	Various Improvements	11/03/2020			2,600.00		2,600.00		
18-07	Various Improvements	11/06/2018			1,130,000.00		90,000.00	1,040,000.00	
18-07	Various Improvements	11/04/2019			850,000.00			850,000.00	
19-10	Various Improvements	11/04/2019			1,840,000.00			1,840,000.00	
19-10	Various Improvements	11/03/2020			3,200,000.00			3,200,000.00	
19-10	Various Improvements	10/28/2021	10/27/2022	1.00%		340,000.00		2,118,000.00	340,000.00
20-10	Various Improvements	11/03/2020	10/27/2022	1.00%	3,318,000.00	(1,200,000.00)			1,200,000.00
20-10	Various Improvements	11/03/2020	10/27/2022	1.00%		1,200,000.00			1,200,000.00
21-06	Various Improvements	10/28/2021	10/27/2022	1.00%		11,000,000.00			11,000,000.00
					<u>\$ 11,000,000.00</u>	<u>\$ 11,340,000.00</u>	<u>\$ 600,000.00</u>	<u>\$ 9,200,000.00</u>	<u>\$ 12,540,000.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF CAPITAL IMPROVEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020	\$ 514,733.41
Increased by:	
2021 Budget Appropriations	<u>400,000.00</u>
	914,733.41
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>686,000.00</u>
Balance December 31, 2021	<u><u>\$ 228,733.41</u></u>

SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit C-11

Balance December 31, 2020 and 2021	<u><u>\$ 95,737.00</u></u>
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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

Year of Lease	Lease Principal	Maturities of Leases		Balance Dec. 31, 2020	Leases Issued	Paid by Budget Appropriation	Balance Dec. 31, 2021
		Outstanding Date	Amount				
2011	\$ 582,000.00	See Amortization Statement		\$ 26,000.00		\$ 26,000.00	\$
2013	844,200.00	See Amortization Statement		215,670.00		69,160.00	146,510.00
2015	1,065,000.00	See Amortization Statement		271,000.00		50,000.00	221,000.00
2017	1,312,000.00	See Amortization Statement		648,000.00		246,000.00	402,000.00
2019	1,109,410.00	See Amortization Statement		971,810.00		156,360.00	815,450.00
2021	1,158,780.00	See Amortization Statement			1,158,780.00		1,158,780.00
				\$ 2,132,480.00	\$ 1,158,780.00	\$ 547,520.00	\$ 2,743,740.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT

Sheet 2 of 2

AUTHORITY LEASES PAYABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 726,850.00	\$ 129,143.86
2023	516,300.00	95,211.50
2024	462,850.00	71,112.50
2025	348,320.00	48,289.00
2026	304,340.00	31,240.50
2027	120,680.00	18,308.50
2028	94,590.00	12,678.10
2029	98,610.00	8,376.50
2030	34,710.00	3,560.00
2031	36,490.00	1,824.50
	<u>\$ 2,743,740.00</u>	<u>\$ 419,744.96</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Authorizations</u>	<u>Notes Issued</u>	<u>Bonds Issued</u>	<u>Balance Dec. 31, 2021</u>
07-14, 08-29	Various Improvements	\$ 767,915.00	\$	\$	\$	\$ 767,915.00
09-16	Various Improvements	1,028,000.00				1,028,000.00
10-21	Various Improvements	1,193,000.00				1,193,000.00
11-20	Various Improvements	950,000.00			509,000.00	441,000.00
12-12	Various Improvements	1,026,555.00				1,026,555.00
14-05	Various Improvements	2,740,662.70				2,740,662.70
15-10	Various Improvements	5,033,069.30			86,000.00	4,947,069.30
16-12	Various Improvements	1,960,900.00			433,000.00	1,527,900.00
17-06	Various Improvements	3,926,200.00			65,000.00	3,861,200.00
18-07	Various Improvements	934,000.00				934,000.00
19-10	Various Improvements	2,432,500.00		340,000.00	960,000.00	1,132,500.00
20-10	Various Improvements	1,473,800.00				1,473,800.00
21-06	Various Improvements		13,687,000.00			2,687,000.00
		<u>\$ 23,466,602.00</u>	<u>\$ 13,687,000.00</u>	<u>\$ 11,340,000.00</u>	<u>\$ 2,053,000.00</u>	<u>\$ 23,760,602.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-5

SCHEDULE OF CASH AND INVESTMENTS- TREASURER

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020:		
Cash and Cash Equivalents	\$ 8,997,428.59	\$ 5,905,600.39
Investments	<u>998,587.62</u>	<u>5,905,600.39</u>
	\$ 9,996,016.21	\$ 5,905,600.39
Increased by Receipts:		
Prepaid Water-Sewer Rents	41,059.40	
Interest on Deposits	63,787.41	
Fund Balance Anticipated:		
Water-Sewer Utility Capital Fund	20,757.00	
Interest on Delinquent Accounts	41,827.37	
Fire Hydrant Service	225,192.52	
Water Connection Fees	739,157.06	
Sewer Connection Fees	377,711.80	
Miscellaneous Other	107,609.56	
Water-Sewer Rent Overpayments	2,794.26	
Water Charges Receivable	4,287,927.62	
Sewer Charges Receivable	7,677,908.91	
Bankruptcy Utility Charges	648.67	
MRRSA 2020 Flow Credit	407,149.76	
Premium on Sale of Bonds		32,340.74
Premium on Sale of Notes		66,892.92
Interfunds		15,655.04
Serial Bonds		1,630,000.00
Bond Anticipation Notes		<u>6,805,000.00</u>
	<u>13,993,531.34</u>	<u>8,549,888.70</u>
	<u>23,989,547.55</u>	<u>14,455,489.09</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-5

SCHEDULE OF CASH AND INVESTMENTS- TREASURER

Sheet 2 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Operating</u>	<u>Capital</u>
Decreased by Disbursements:		
Budget Appropriations	\$ 12,366,891.62	\$
Appropriation Reserves	337,699.11	
Accounts Payable	510.00	
Interfunds		15,655.04
Accrued Interest on Bonds and Notes	214,962.00	
Water-Sewer Rent Overpayments	2,794.26	
Improvement Authorizations		664,620.44
Utilized in Operating Fund Budget:		
Fund Balance		20,757.00
Bond Anticipation Notes		1,630,000.00
	<u>\$ 12,922,856.99</u>	<u>2,331,032.48</u>
Balance December 31, 2021:		
Cash and Cash Equivalents	11,035,990.33	12,124,456.61
Investments	<u>30,700.23</u>	
	<u>\$ 11,066,690.56</u>	<u>\$ 12,124,456.61</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-7

SCHEDULE OF WATER CHARGES RECEIVABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020		\$ 227,426.44
Increased by:		
Water Charges Levied	\$ 4,326,503.89	
Other Charges Billed	<u>1,003,687.58</u>	
		<u>5,330,191.47</u>
		<u>5,557,617.91</u>
Decreased by:		
Receipts	5,294,913.63	
Prepaid Applied	20,107.90	
Transfer to Bankruptcy Receivable	<u>683.58</u>	
		<u>5,315,705.11</u>
Balance December 31, 2021		\$ <u><u>241,912.80</u></u>
<u>Allocation of Revenue</u>		
Water Rents		\$ 4,308,035.52
Miscellaneous:		
Fire Hydrant Services		225,192.52
Water Connection Fees		739,157.06
Miscellaneous Other		<u>42,636.43</u>
		\$ <u><u>5,315,021.53</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-8

SCHEDULE OF SEWER CHARGES RECEIVABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020		\$ 349,822.02
Increased by:		
Sewer Charges Levied	\$ 7,747,316.32	
Other Charges Billed	<u>377,822.80</u>	
		<u>8,125,139.12</u>
		<u>8,474,961.14</u>
Decreased by:		
Receipts	8,055,731.71	
Prepaid Applied	8,947.66	
Transfer to Bankruptcy Receivable	<u>1,139.15</u>	
		<u>8,065,818.52</u>
Balance December 31, 2021		\$ <u><u>409,142.62</u></u>
<u>Allocation of Revenue</u>		
Sewer Rents		\$ 7,686,856.57
Miscellaneous:		
Sewer Connection Fees		377,711.80
Miscellaneous Other		<u>111.00</u>
		<u>\$ 8,064,679.37</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-9

SCHEDULE OF FIXED CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u>	<u>Additions and</u>	<u>Deletions and</u>	<u>Balance</u>
	<u>Dec. 31, 2020</u>	<u>Transfer In</u>	<u>Transfers Out</u>	<u>Dec. 31, 2021</u>
Purchase and Improvement of the Freehold Water and Utility Company	\$ 1,700,000.00	\$	\$	\$ 1,700,000.00
Maintenance and Storage Facility	75,000.00			75,000.00
Purchase of Southern Gulf Water Company Treatment Plant	326,428.10			326,428.10
Distribution Mains	6,201,098.58			6,201,098.58
Meters and Meters Accessories	4,210,594.56			4,210,594.56
Standpipes and Storage Tanks	451,511.70			451,511.70
Wells	1,046,073.45			1,046,073.45
Land	4,459,335.88			4,459,335.88
	432,146.38			432,146.38
Water System and Sewer System Improvements	28,540,013.80			28,540,013.80
Sewer Collection System	5,994,055.40	143,220.00		6,137,275.40
Sewer Emergency Response Vehicles	17,781.33			17,781.33
Equipment	1,230,871.96		17,257.00	1,213,614.96
	<u>112,066.94</u>			<u>112,066.94</u>
	\$ 54,815,521.54	\$ 143,220.00	\$ 17,257.00	\$ 54,941,484.54

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-10

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Authorizations Charges to Future Revenue</u>	<u>Balance Dec. 31, 2021</u>
	General Improvements:			
06-22	Various Improvements to the Water-Sewer System	\$ 785,715.75		\$ 785,715.75
07-15	Various Improvements to the Water-Sewer System	300,000.00		300,000.00
09-17	Various Improvements to the Water-Sewer System	2,991,574.00		2,991,574.00
10-22	Various Improvements to the Water-Sewer System	875,000.00		875,000.00
11-21	Various Improvements to the Water-Sewer System	262,000.00		262,000.00
12-13	Various Improvements to the Water-Sewer System	700,000.00		700,000.00
14-06	Various Improvements to the Water-Sewer System	4,900,000.00		4,900,000.00
15-11	Various Improvements to the Water-Sewer System	1,023,000.00		1,023,000.00
16-09	Various Improvements to the Water-Sewer System	1,000,000.00		1,000,000.00
16-09	SCADA System Upgrades	250,000.00		250,000.00
17-07	Various Improvements to the Water-Sewer System	3,030,000.00		3,030,000.00
18-08	Various Improvements to the Water-Sewer System	260,000.00		260,000.00
18-10	Improvements to Well 15	2,676,000.00		2,676,000.00
19-11	Various Improvements to the Water-Sewer System	80,000.00		80,000.00
19-13	Improvements to Pump Stations	1,706,000.00		1,706,000.00
20-11	Various Improvements to the Water-Sewer System			
21-07	Various Improvements to the Water-Sewer System		<u>6,054,000.00</u>	<u>6,054,000.00</u>
		<u>\$ 20,839,289.75</u>	<u>\$ 6,054,000.00</u>	<u>\$ 26,893,289.75</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-11

SCHEDULE OF APPROPRIATION RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 164,393.68	\$	\$ 164,393.68	\$	\$ 164,393.68
Other Expenses	835,930.41	222,265.70	1,058,196.11	255,700.11	802,496.00
Capital Improvement:					
Capital Outlay	58,020.00	112,700.00	170,720.00	81,999.00	88,721.00
Statutory Expenditures:					
Contribution to:					
Social Security System	<u>9,351.58</u>		<u>9,351.58</u>		<u>9,351.58</u>
	<u>\$ 1,067,695.67</u>	<u>\$ 334,965.70</u>	<u>\$ 1,402,661.37</u>	<u>\$ 337,699.11</u>	<u>\$ 1,064,962.26</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-12

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020	\$ 49,252.53
Increased by:	
Budget Appropriations:	
Interest on Bonds and Notes	<u>202,737.00</u>
	<u>251,989.53</u>
Decreased by:	
Disbursed	<u>214,962.00</u>
Balance December 31, 2021	<u>\$ 37,027.53</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-13

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Ordinance Amount		Balance Dec. 31, 2020		2021 Ordinance Deferred Charges to Future Revenue	Reserve for Encumbrances	Expended		Balance Dec. 31, 2021	
		Date	Amount	Funded	Unfunded			Funded	Unfunded	Funded	Unfunded
General Improvements:											
06-22	Various Improvements to the Water-Sewer System	5/23/2006	825,000	\$ 38,495.49	\$ 84,465.75	\$	\$	\$	\$	38,495.49	\$ 84,465.75
07-15	Various Improvements to the Water-Sewer System	6/26/2007	300,000	147,580.00						147,580.00	
09-17	Various Improvements to the Water-Sewer System	5/26/2009	3,005,000		1,212,680.46		102,250.00	102,250.00			1,212,680.46
10-22	Various Improvements to the Water-Sewer System	8/31/2010	875,000	175,925.92	376,000.00					175,925.92	376,000.00
11-21	Various Improvements to the Water-Sewer System	8/23/2011	262,000	22,059.48	48,000.00					22,059.48	48,000.00
12-13	Various Improvements to the Water-Sewer System	6/26/2012	700,000	74,578.52	390,700.00			105,500.00			359,778.52
14-06	Various Improvements to the Water-Sewer System	5/27/2014	4,900,000	210,929.12	637,900.00		100,755.96	100,755.96		210,929.12	637,900.00
15-11	Various Improvements to the Water-Sewer System	5/26/2015	2,023,000	196,162.31	261,000.00					196,162.31	261,000.00
16-09	SCADA System Upgrades	7/26/2016	1,000,000	48,061.48						48,061.48	
17-07	Various Improvements to the Water-Sewer System	6/27/2017	250,000	93,055.83			16,000.00	16,000.00			
18-08	Various Improvements to the Water-Sewer System	6/25/2018	3,030,000	3,030,000	2,554,282.14		95,585.36	95,585.36		46,382.14	2,507,900.00
18-10	Improvements to Well 15	6/25/2018	260,000	98,669.59						98,669.59	
19-11	Various Improvements to the Water-Sewer System	6/25/2019	2,676,000	80,000.00	1,809,347.67		373,854.02	373,854.02		304,247.67	1,505,100.00
19-13	Improvements to Pump Stations	6/25/2019	80,000							80,000.00	
20-11	Various Improvements to the Water-Sewer System	5/26/2020	1,706,000	1,706,000	1,258,394.40		140,858.19	426,427.91		101,824.68	871,000.00
21-07	Various Improvements to the Water-Sewer System	5/25/2021	6,054,000	6,054,000		6,054,000.00		409,785.00			5,644,215.00
				\$ 1,185,517.74	\$ 8,632,770.42	\$ 6,054,000.00	\$ 829,303.53	\$ 1,630,158.25		\$ 1,563,393.71	\$ 13,508,039.73
Disbursements											
Reserve for Encumbrances											
							\$ 664,620.44				
							965,537.81				
							\$ 1,630,158.25				

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-14

SCHEDULE OF CAPITAL IMPROVEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020 and 2021 \$ 429,752.57

SCHEDULE OF RESERVE FOR AMORTIZATION

Exhibit D-15

FOR THE YEAR ENDED DECEMBER 31, 2021

Balance December 31, 2020 \$ 53,298,943.70

Increased by:

Budget Appropriations:

Serial Bonds

\$ 788,720.45

M.C.I.A. Lease Payable

50,480.00

839,200.45

54,138,144.15

Decreased by:

Fixed Assets Deleted or Transferred from Utility

17,257.00

Balance December 31, 2021 \$ 54,120,887.15

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-16

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Ordinance Number</u>	<u>Improvements Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Budget Appropriation Serial Bonds</u>	<u>Prior Year Allocation Adjustment</u>	<u>Balance Dec. 31, 2021</u>
	General Improvements:				
06-22	Various Improvements to the Water-Sewer System	\$ 41,250.00	\$		\$ 41,250.00
07-15	Various Improvements to the Water-Sewer System	300,000.00			300,000.00
09-17	Various Improvements to the Water-Sewer System	825,979.45	123,997.50		949,976.95
10-22	Various Improvements to the Water-Sewer System	355,413.44	7,282.80		362,696.24
11-21	Various Improvements to the Water-Sewer System	35,946.08	9,032.10		44,978.18
12-13	Various Improvements to the Water-Sewer System	66,579.44	12,296.55		78,875.99
14-06	Various Improvements to the Water-Sewer System	1,534,976.71	340,496.70		1,875,473.41
15-11	Various Improvements to the Water-Sewer System	363,996.08	20,188.35		384,184.43
16-09	SCADA System Upgrades	1,000,000.00			1,000,000.00
17-07	Various Improvements to the Water-Sewer System	255,788.64		(5,788.64)	250,000.00
18-08	Various Improvements to the Water-Sewer System		5,844.30	5,788.64	11,632.94
18-10	Improvements to Well 15	276,978.00		(16,978.00)	260,000.00
19-11	Various Improvements to the Water-Sewer System		17,141.25	16,978.00	34,119.25
19-13	Improvements to Pump Stations	80,000.00			80,000.00
		<u>\$ 5,136,907.84</u>	<u>\$ 536,279.55</u>	<u>\$</u>	<u>\$ 5,673,187.39</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

Exhibit D-17

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF WATER-SEWER SERIAL BONDS

FOR THE YEAR ENDED DECEMBER 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2021		Interest Rate	Balance Dec. 31, 2020	Issued	Decreased	Balance Dec. 31, 2021
			Date	Amount					
Utility Refunding Bonds	12/16/2009	\$ 6,580,000	10/01/2022	\$ 175,000	3.500%	\$ 330,000.00		\$ 330,000.00	\$
Utility Refunding Bonds	10/01/2012	1,680,000	10/1/2023-24	170,000	3.500%	690,000.00		175,000.00	515,000.00
Utility Refunding Bonds	9/10/2015	1,295,000	7/15/2022	230,000	3.000%	495,000.00		265,000.00	230,000.00
Utility Bonds	12/11/2015	5,469,000	11/01/2022	460,000	2.000%				
			11/01/2023	465,000	2.000%				
			11/01/2024	480,000	2.000%				
			11/01/2025	490,000	2.125%				
			11/01/2026	505,000	2.250%				
			11/01/2027	520,000	2.375%	3,370,000.00		450,000.00	2,920,000.00
Utility Bonds	11/04/2019	2,174,000	10/15/2022	180,000	2.000%				
			10/15/2023	185,000	2.000%				
			10/15/2024	190,000	2.000%				
			10/15/2025	195,000	3.000%				
			10/15/2026	195,000	4.000%				
			10/15/2027	200,000	4.000%				
			10/15/2028	205,000	4.000%				
			10/15/2029	205,000	1.000%				
			10/15/2030-31	205,000	1.000%	2,070,000.00		105,000.00	1,965,000.00
Utility Bonds	10/28/2021	1,630,000	10/15/2022	80,000	0.500%				
			10/15/2023	85,000	0.500%				
			10/15/2024	140,000	0.500%				
			10/15/2025-26	140,000	1.000%				
			10/15/2027-29	145,000	2.000%				
			10/15/2030-31	150,000	2.000%				
			10/15/2032-33	155,000	2.000%		1,630,000.00		1,630,000.00
						\$ 6,955,000.00	\$ 1,630,000.00	\$ 1,325,000.00	\$ 7,260,000.00
								\$ 536,279.55	
								788,720.45	
								\$ 1,325,000.00	

Deferred Reserve for Amortization
Reserve for Amortization

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-18

SCHEDULE OF BOND ANTICIPATION NOTES

FOR THE YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Issued for Cash	Decreased by Serial Bonds Issued	Balance Dec. 31, 2021
09-17	Various Improvements to the Water-Sewer System	10/28/2021	10/28/2021	10/27/2022	1.00%	\$	\$ 127,000.00	\$	\$ 127,000.00
18-08	Various Improvements to the Water-Sewer System	11/06/2018 11/06/2018 10/28/2021	11/04/2019 10/28/2021 10/28/2021	11/01/2021 10/27/2022 10/27/2022	1.00% 1.00% 1.00%	1,124,000.00	(745,000.00) 745,000.00 1,078,000.00	379,000.00	745,000.00 1,078,000.00
19-11	Various Improvements to the Water-Sewer System	11/04/2019 11/04/2019 10/28/2021	11/04/2019 10/28/2021 10/28/2021	11/01/2021 10/27/2022 10/27/2022	1.00% 1.00% 1.00%	876,000.00	(460,000.00) 460,000.00 600,000.00	416,000.00	460,000.00 600,000.00
20-11	Various Improvements to the Water-Sewer System	11/03/2020 11/03/2020	11/03/2020 10/28/2021	11/01/2021 10/27/2022	1.00% 1.00%	1,500,000.00	(665,000.00) 665,000.00	835,000.00	665,000.00
21-07	Various Improvements to the Water-Sewer System	10/28/2021	10/28/2021	10/27/2022	1.00%		5,000,000.00		5,000,000.00
						\$ 3,500,000.00	\$ 6,805,000.00	\$ 1,630,000.00	\$ 8,675,000.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-19

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY LEASE PAYABLE

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Year of Lease</u>	<u>Lease Principal</u>	<u>Maturities of Lease Outstanding Dec. 31, 2021</u>	<u>Balance Dec. 31, 2020</u>	<u>Leases Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2021</u>
2013	\$ 73,800.00	See Amortization Statement	\$ 21,330.00	\$	\$ 6,840.00	\$ 14,490.00
2019	309,590.00	See Amortization Statement	271,190.00		43,640.00	227,550.00
2021	143,220.00	See Amortization Statement		143,220.00		143,220.00
			\$ 292,520.00	\$ 143,220.00	\$ 50,480.00	\$ 385,260.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-19

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT

Sheet 2 of 2

AUTHORITY LEASE PAYABLE

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 75,150.00	\$ 20,203.43
2023	78,700.00	16,213.50
2024	75,150.00	12,057.50
2025	40,680.00	7,981.00
2026	42,660.00	5,859.50
2027	20,320.00	3,891.50
2028	21,410.00	2,811.90
2029	22,390.00	1,673.50
2030	4,290.00	440.00
2031	4,510.00	225.50
	<u>\$ 385,260.00</u>	<u>\$ 71,357.33</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-20

SCHEDULE OF BONDS AND NOTES AUTHORIZED

FOR THE YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Notes Issued	Balance Dec. 31, 2021
06-22	Various Improvements to the Water-Sewer System	\$ 84,465.75	\$		84,465.75
09-17	Various Improvements to the Water-Sewer System	1,236,974.00		127,000.00	1,109,974.00
10-22	Various Improvements to the Water-Sewer System	376,000.00			376,000.00
11-21	Various Improvements to the Water-Sewer System	48,000.00			48,000.00
12-13	Various Improvements to the Water-Sewer System	391,000.00			391,000.00
14-06	Various Improvements to the Water-Sewer System	637,900.00			637,900.00
15-11	Various Improvements to the Water-Sewer System	261,000.00			261,000.00
18-08	Various Improvements to the Water-Sewer System	1,785,000.00		1,078,000.00	707,000.00
19-11	Various Improvements to the Water-Sewer System	1,445,100.00		600,000.00	845,100.00
20-11	Various Improvements to the Water-Sewer System	206,000.00			206,000.00
21-07	Various Improvements to the Water-Sewer System		6,054,000.00	5,000,000.00	1,054,000.00
		\$ 6,471,439.75	\$ 6,054,000.00	\$ 6,805,000.00	\$ 5,720,439.75

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PART II

TOWNSHIP OF FREEHOLD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

COMPARATIVE STATEMENT OF OPERATIONS AND

CHANGES IN FUND BALANCE - CURRENT FUND

	2021		2020	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 7,552,950.00	4.30%	\$ 7,539,498.00	4.42%
Miscellaneous - From Other Than Local				
Property Tax Levies	19,618,934.43	11.17%	16,349,011.92	9.58%
Collection of Delinquent Taxes and				
Tax Title Liens	981,682.63	0.56%	1,375,185.57	0.81%
Collection of Current Tax Levy	147,459,482.30	83.97%	145,474,805.71	85.20%
Total Income	175,613,049.36	100.00%	170,738,501.20	100.00%
<u>Expenditures</u>				
Budget Expenditures	41,599,295.38	24.90%	40,310,839.96	24.64%
County Taxes	19,507,877.92	11.68%	19,023,102.47	11.63%
Local School Taxes	72,792,206.00	43.57%	72,180,719.00	44.13%
Regional School Taxes	28,322,253.00	16.95%	27,390,153.00	16.75%
Special District Taxes - Fire	2,347,671.00	1.41%	2,505,241.00	1.53%
Municipal Open Space Taxes	2,060,435.88	1.23%	2,015,229.57	1.23%
Other Expenditures	453,028.98	0.27%	142,415.36	0.09%
Total Expenditures	167,082,768.16	100.00%	163,567,700.36	100.00%
Excess in Revenue	8,530,281.20		7,170,800.84	
Fund Balance, January 1	11,370,802.89		11,739,500.05	
	19,901,084.09		18,910,300.89	
Decreased by:				
Utilized as Anticipated Revenue	7,552,950.00		7,539,498.00	
Fund Balance, December 31	\$ 12,348,134.09		\$ 11,370,802.89	

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER-SEWER UTILITY FUND

	2021		2020	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 3,080,514.00	17.00%	\$ 2,804,682.00	16.62%
User Fees	11,994,892.09	66.18%	11,656,584.83	69.06%
Miscellaneous From Other than User Fees	3,048,803.41	16.82%	2,418,610.11	14.33%
Total Income	<u>18,124,209.50</u>	<u>100.00%</u>	<u>16,879,876.94</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures				
Operating	11,463,427.00	84.20%	11,624,845.25	84.17%
Capital Improvements	193,000.00	1.42%	225,000.00	1.63%
Debt Service	1,594,327.00	11.71%	1,620,244.88	11.73%
Statutory Expenditures	363,417.00	2.67%	341,456.00	2.47%
Other Expenditures				
Total Expenditures	<u>13,614,171.00</u>	<u>100.00%</u>	<u>13,811,546.13</u>	<u>100.00%</u>
Excess in Revenue	4,510,038.50		3,068,330.81	
Fund Balance, January 1	8,509,436.25		8,245,787.44	
	<u>13,019,474.75</u>		<u>11,314,118.25</u>	
Decreased by:				
Utilized by Water-Sewer Operating Budget	<u>3,080,514.00</u>		<u>2,804,682.00</u>	
Fund Balance, December 31	<u>\$ 9,938,960.75</u>		<u>\$ 8,509,436.25</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Tax Rate	<u>2021</u> \$ <u>2.121</u>	<u>2020</u> \$ <u>2.130</u>	<u>2019</u> \$ <u>2.139</u>
Apportionment of Tax Rate			
Net County Levy	.237	.237	.241
County Library Tax	.018	.017	.017
County Open Space Tax	.029	.028	.028
Municipal Open Space Tax	.030	.030	.030
District School Tax	1.060	1.074	1.074
Regional School District	.412	.408	.417
Local Municipal Purpose Tax	.335	.336	.332
Fire Districts			
Number 1	.035	.040	.046
Number 2	.035	.035	.030
Assessed Valuation			
2021	\$ 6,868,119,600		
2020		\$ 6,717,431,900	
2019			\$ 6,592,450,900

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 levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2021	\$ 148,643,310	\$ 147,459,482	99.20%
2020	146,502,281	145,474,806	99.29%
2019	144,253,560	142,874,987	99.04%

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>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 301,588	\$ 1,144,888	\$ 1,446,476	.97%
2020	396,104	981,182	1,377,286	.94%
2019	392,941	1,358,493	1,751,434	1.21%

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 in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 1,106,850
2020	584,150
2019	584,150

COMPARISON OF WATER-SEWER UTILITY RENTS

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Cash Collections</u>
2021	\$ 13,455,330	\$ 577,248	\$ 13,379,701
2020	12,258,528	625,806	12,307,086
2019	12,011,527	557,815	11,943,535

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>		
2021	\$ 12,348,134	\$ 7,746,802
2020	11,370,803	7,552,950
2019	11,739,500	7,539,498
2018	10,636,917	6,928,357
2017	9,478,823	6,455,872
<u>Water Utility Operating Fund</u>		
2021	\$ 9,938,961	\$ 3,176,605
2020	8,509,436	3,080,514
2019	8,245,787	2,804,682
2018	10,056,555	4,021,949
2017	9,887,412	3,119,118

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 47,732,417	\$ 38,569,794	\$ 34,027,594
Board of Education Lease Guarantee			116,000
Water-Sewer Utility:			
Bonds and Notes	<u>15,935,000</u>	<u>10,455,000</u>	<u>10,274,000</u>
	<u>63,667,417</u>	<u>49,024,794</u>	<u>44,417,594</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General Capital Fund	287,938	237,938	87,938
Open Space Debt not Subject to Debt Limitation	<u>3,163,117</u>	<u>3,904,392</u>	<u>2,316,594</u>
	<u>3,451,055</u>	<u>4,142,330</u>	<u>2,404,532</u>
Net Debt Issued	<u>60,216,362</u>	<u>44,882,464</u>	<u>42,013,062</u>
<u>Authorized and not Issued</u>			
General:			
Bonds, Notes and Loans	23,760,602	23,466,602	32,972,156
Water-Sewer Utility:			
Bonds, Notes and Loans	<u>5,720,440</u>	<u>6,471,440</u>	<u>6,514,796</u>
	<u>29,481,042</u>	<u>29,938,042</u>	<u>39,486,952</u>
Net Bonds and Notes Issued and Authorized but not Issued	\$ <u>89,697,404</u>	\$ <u>74,820,506</u>	\$ <u>81,500,014</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of .969%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 30,195,000	\$ 30,195,000	\$
Regional School District Debt	2,849,648	2,849,648	
Water-Sewer Utility Debt	21,655,440	21,655,440	
General Debt	<u>71,493,019</u>	<u>3,451,055</u>	<u>68,041,964</u>
	<u>\$ 126,193,107</u>	<u>\$ 58,151,143</u>	<u>\$ 68,041,964</u>

Net Debt \$68,041,964 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$7,015,436,301 = .969%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 245,540,270
Net Debt	<u>68,041,964</u>
Remaining Borrowing Power	\$ <u>177,498,306</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER-SEWER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 16,652,097
Deductions:		
Operating and Maintenance Cost	\$ 11,826,844	
Debt Service per Water Account	<u>1,594,327</u>	
Total Deductions		<u>13,421,171</u>
Excess in Revenue		\$ <u>3,280,926</u>

A revised annual debt statement should be filed by the chief financial officer.

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>
Thomas L. Cook	Mayor
Anthony J. Ammiano	Deputy Mayor
Lester A. Preston, Jr.	Committeeman
Maureen Fasano	Committeewoman
Alan Walker	Committeeman
Peter R. Valesi	Township Administrator
Sanabel Abouzeina	Township Clerk
Catherine M. Campbell	Chief Financial Officer, Treasurer to August 2021
Jeffery Elsasser	Chief Financial Officer, Treasurer from August 2021
Elizabeth A. Kiernan	Tax and Utility Collector
George Baumann	Chief of Police
Nicole L. Sonnenblick	Municipal Court Judge
Denise Yuhas	Municipal Court Administrator
Michael Imbriaco	Tax Assessor
Paul N. Vitale	Construction Code Official

All of the bonds were examined and were properly executed.

All Employees, are covered under a \$1,000,000 Employees Dishonesty Blanket Coverage Bond through the Monmouth County Municipal Joint Insurance Fund.

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 of P.L. 1971 c.198 (40A:11-3), except by contract or agreement.

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Township's bid threshold was \$44,000.00 for the year under audit.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 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.

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

- Water/Sewer Chemicals
- Automotive Lubricants
- Automotive and Light Duty Truck Parts
- Rehabilitation of Well No. 11
- 2021 Pavement Overlay Program
- 2021 Fall Overlay Program and Municipal Aid Program
- Opatut Park Site Improvement Projects
- 25 Cubic Yard Trailer Mounted Self Contained Vacuum Collectors
- Turf Maintenance Supplies
- Jackson Mills Road Water Treatment Plant Filter Upgrades
- Gravel Hill Road Water Storage Tank
- Sports Official Services
- Henderson Barn Restoration
- Eltons Corner Force Main Replacement

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

GENERAL COMMENTS (CONTINUED)

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

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40:11-5:

Attorney
Labor Counsel
Tax Appeal Attorney
Various Other Specialized Attorneys
Auditor
Engineer
Fee Accountant
Financial Advisor
Insurance Broker
Bond Counsel
Architect

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 5, 2021 adopted the following resolutions authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, the Township Committee of the Township of Freehold desires to establish the interest rate to be charged on all delinquent taxes and assessments, said interest to be waived within a ten day period after they become due; on the eleventh day of delinquency , interest shall be calculated from the date the tax was payable until the date of actual payment; and,

WHEREAS, Statutes further provide for the Township to designate an employee who would be authorized to cancel property tax refunds or delinquencies, and utilities, credits or balances which are less than \$10.00;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Freehold that, pursuant to the provisions of N.J.S.A. 54:4-67, the rate of interest to be charged for the non-payment of taxes and assessments on or before the day when the same become delinquent is hereby fixed at eight percent per annum on the first \$1,500.00 of delinquency and eighteen percent per annum on any amount in excess of \$1,500.00 In addition, the Township will set an additional charge of six percent per annum on all delinquent accounts in excess of \$10,000.00, or the maximum allowed by Statute, whichever is greater.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (CONTINUED)

BE IT FURTHER RESOLVED that the Township Tax Collector is hereby authorized to cancel any property tax refunds or delinquencies, and utilities credits or balances of \$10.00 or less.

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

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 value of such properties in the year of acquisition, is summarized as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$1,106,850.00
2020	584,150.00
2019	584,150.00

TAX TITLE LIENS

The last tax sale was held on December 8, 2021 and was complete.

An examination of the tax sale certificates revealed all certificates were on file and available for audit.

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

<u>YEAR</u>	<u>NUMBER</u>
2021	21
2020	33
2019	35

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 tax paying 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, including the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2021 Taxes	5
Delinquent Taxes	5

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus, creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out at year end.

RECOMMENDATIONS

NONE

