

*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, 2022*



TOWNSHIP OF FREEHOLD

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TOWNSHIP OF FREEHOLD

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TOWNSHIP OF FREEHOLD

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TOWNSHIP OF FREEHOLD

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2022



# 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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, 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, 2022.

#### **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, 2022 and 2021, 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, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## ***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, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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 and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

### ***Matter Giving Rise to Adverse Opinion***

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

### ***Responsibilities of Management for the Financial Statements***

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

## SUPLEE, CLOONEY & COMPANY

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, schedule of expenditures of Federal Awards and data listed in the table of contents as required by the Division and the Uniform Guidance 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, Schedule of Expenditures of Federal Awards and data listed in the table of contents, as required by the Division and the Uniform Guidance 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 September 26, 2023 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.

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 26, 2023

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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, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
<b><u>Regular Funds</u></b>			
Cash and Cash Equivalents - Treasurer	A-4	\$ 30,317,251.78	\$ 27,041,079.58
Investments	A-4	20,082,847.00	20,148,860.79
Change Funds		1,325.00	1,325.00
Due from State of New Jersey: (Chapter 20, P.L. 1971)		398.63	3,398.63
		<u>50,401,822.41</u>	<u>47,194,664.00</u>
Receivables with Full Reserves:			
Police Special Duty Receivable			182,634.67
Delinquent Property Taxes Receivable	A-5	976,229.81	1,144,992.41
Tax Title Liens Receivable	A-6	309,536.94	301,587.77
Property Acquired for Taxes at Assessed Value		1,102,850.00	1,106,850.00
Miscellaneous Receivables		86,143.35	33,694.57
Revenue Accounts Receivable	A-7	85,277.39	88,538.57
Interfunds:			
Animal Control Trust Fund	A-12		28,871.97
Other Trust Fund	A-12	407,748.79	277,559.63
General Capital Fund	A-12	102,500.00	
Water-Sewer Operating Fund	A-12		1,777.88
Payroll Fund	A-12		253,447.85
		<u>3,070,286.28</u>	<u>3,419,955.32</u>
		<u>53,472,108.69</u>	<u>50,614,619.32</u>
<b><u>Grant Fund</u></b>			
Interfund - Current Fund	A-13	2,869,717.70	2,126,038.76
Grants Receivable	A-14	493,998.38	540,447.10
		<u>3,363,716.08</u>	<u>2,666,485.86</u>
		<u>\$ 56,835,824.77</u>	<u>\$ 53,281,105.18</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, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Regular Funds</u></b>			
Liabilities:			
Appropriation Reserves	A-3,8	\$ 3,183,052.58	\$ 4,312,833.20
Reserve for Encumbrances	A-3,8	1,232,264.51	913,961.51
Due to State of New Jersey for Fees Collected		26,907.00	21,160.00
Tax Overpayments			4,195.29
Accounts Payable		13,216.49	613,668.60
Prepaid Health Benefits	A-3,4	5,765.35	10,597.22
Prepaid Fees and Permits	A-4,7	22,955.00	14,306.00
Prepaid Taxes	A-4,5	1,139,290.33	952,398.24
Due County for Added and Omitted Taxes	A-9	173,721.76	74,585.13
Local District School Tax Payable	A-10	11,886,583.02	11,118,688.02
Regional High School Tax Payable	A-11	14,157,636.40	14,577,794.40
Special District Taxes Payable		67,471.50	
Reserve for:			
Taxes Collected on Appeal		106,303.54	106,303.54
Municipal Relief Aid	A-4	386,957.38	
Interfunds:			
Grant Fund	A-13	2,869,717.70	2,126,038.76
		<u>35,271,842.56</u>	<u>34,846,529.91</u>
Reserve for Receivables and Other Assets		3,070,286.28	3,419,955.32
Fund Balance	A-1	<u>15,129,979.85</u>	<u>12,348,134.09</u>
		<u>53,472,108.69</u>	<u>50,614,619.32</u>
<b><u>Grant Fund</u></b>			
Reserve for Encumbrances	A-15	52,879.54	88,320.89
Appropriated Reserves	A-15	653,455.57	766,142.96
Unappropriated Reserves	A-16	2,657,380.97	1,812,022.01
		<u>3,363,716.08</u>	<u>2,666,485.86</u>
		<u>\$ 56,835,824.77</u>	<u>\$ 53,281,105.18</u>

There were deferred school taxes on December 31, 2022 and 2021 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 2022 AND 2021**

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 7,746,801.73	\$ 7,552,950.00
Miscellaneous Revenue Anticipated	A-2	16,750,822.13	13,635,884.62
Receipts from Delinquent Taxes	A-2	1,150,470.30	981,682.63
Receipts from Current Taxes	A-2	151,099,457.29	147,459,482.30
Non-Budget Revenues	A-2	1,887,058.10	2,696,575.91
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	2,919,930.20	3,048,737.69
Statutory Excess in Animal Control Trust			28,871.97
Interfunds Liquidated		51,408.54	
Cancel Accounts Payable		613,668.60	
Reserve for Police Special Duty Realized	A	182,634.67	
Cancel Appropriated Grant Reserve	A-13	1,072,012.03	3,600.00
Cancel Tax Overpayments			205,264.24
Total Income		<u>183,474,263.59</u>	<u>175,613,049.36</u>
<b><u>Expenditures</u></b>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		16,605,462.16	16,525,110.00
Other Expenses		16,615,283.16	14,432,258.31
Capital Improvements		400,000.00	400,000.00
Deferred Charges and Statutory Expenditures		4,924,478.90	4,559,215.00
Municipal Debt Service		5,212,118.47	4,731,527.07
Transferred to Board of Education		948,757.00	951,185.00
Budget Totals	A-3	<u>44,706,099.69</u>	<u>41,599,295.38</u>
Refund of Prior Year Revenue			335.01
Municipal Open Space Tax	A-4,5	2,273,067.98	2,060,435.88
Special District Taxes - Fire	A-4,5	2,482,614.00	2,347,671.00
County Taxes	A-9	18,730,284.29	19,433,292.79
Due County for Added and Omitted Taxes	A-9	173,721.76	74,585.13
Local District School Taxes	A-10	74,266,573.00	72,792,206.00
Regional School District Taxes	A-11	29,239,249.00	28,322,253.00
Cancel Grant Receivable	A-13	1,070,006.38	3,600.00
Interfund Advances			259,082.19
Tax Appeals Granted			186,011.78

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 2022 AND 2021**

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<b><u>Expenditures (Continued)</u></b>			
Prior Year Deductions Disallowed		\$ 4,000.00	\$ 4,000.00
Total Expenditures		<u>172,945,616.10</u>	<u>167,082,768.16</u>
Excess in Revenue		10,528,647.49	8,530,281.20
Fund Balance January 1	A	<u>12,348,134.09</u>	<u>11,370,802.89</u>
		22,876,781.58	19,901,084.09
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>7,746,801.73</u>	<u>7,552,950.00</u>
Fund Balance December 31	A	<u>\$ 15,129,979.85</u>	<u>\$ 12,348,134.09</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 3

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

	Ref.	Anticipated		Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87	
Fund Balance Anticipated	A-1	\$ 7,746,801.73	\$	\$
<b>Miscellaneous Revenues</b>				
Licenses:				
Alcoholic Beverages	A-7	40,000.00		2,938.00
Other	A-7	20,000.00		20,268.00
Fees and Permits:				
Construction Code Official	A-7	900,000.00		941,366.00
Other	A-7	210,000.00		50,448.25
Fines and Costs:				
Municipal Court	A-7	575,000.00		334,169.43
Interest and Costs on Taxes	A-4	130,000.00		137,386.65
Interest on Investments and Deposits	A-7	100,000.00		272,813.60
Cable Television Franchise Fees	A-7	286,402.00		286,402.00
Verizon Franchise Fees	A-7	246,353.76		246,353.76
State Aid:				
Energy Receipts Tax	A-7	7,418,109.00		7,418,109.00
Garden State Trust Pilot	A-7	18,206.00		18,206.00
Special Items:				
State Grants:				
Alcohol Education and Rehabilitation	A-13		5,843.50	5,843.50
Alliance to Prevent Alcoholism and Drug Abuse	A-13	32,600.00		32,600.00
Body Armor Fund	A-13	3,187.17		3,187.17
Childhood Lead Exposure	A-13	25,250.00		54,335.00
Clean Communities Program	A-13			82,159.03
DHMAS Youth Leadership Grant	A-13			11,106.16
Safe and Secure Communities Program	A-13			32,400.00
Safe Corridors	A-13			35,909.00
Strengthen Public Health	A-13			274,735.00

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 3

FOR THE YEAR ENDED DECEMBER 31, 2022

	Ref.	Anticipated		Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
		Budget	\$			
Special Items (Continued):						
Federal Grants:			\$		\$	
Bulletproof Vests	A-13	4,427.50			4,427.50	
Click It or Ticket	A-13			7,000.00	7,000.00	
Distracted Driving	A-13	10,500.00			10,500.00	
Drive Sober or Get Pulled Over	A-13			7,000.00	7,000.00	
Hazard Mitigation Grant	A-13			1,064,291.55	1,064,291.55	
Uniform Fire Safety Act	A-7	60,000.00			116,397.84	56,397.84
Other Special Items:						
Shared Services Agreements:						
Automotive Services	A-7	50,000.00			52,344.98	2,344.98
Board of Health	A-7	472,060.00			611,899.00	139,839.00
Board of Health - VNA Health Group	A-7	6,250.00			(6,250.00)	
Diesel Fuel	A-7	200,000.00			276,192.60	76,192.60
Information Technology	A-7	274,000.00			312,663.81	38,663.81
Licensed Operational Services	A-7	52,000.00			86,229.51	34,229.51
Police - School Security Detail	A-7	116,000.00			155,958.38	39,958.38
Western Monmouth Active Shooter	A-7	6,584.00			7,112.00	528.00
American Recovery Program - Revenue Loss	A-7	1,100,000.00			1,100,000.00	
Fund Balance - General Capital Fund	A-7	225,319.26			225,319.26	
Hospital Property Tax Exemption	A-7	287,043.30			287,043.30	
Hotel/Motel Tax	A-7	50,000.00			156,412.97	106,412.97
Payments in Lieu of Taxes	A-7	75,000.00			126,143.88	51,143.88
Reserve for Municipal Alliance	A-7	8,150.00			8,150.00	
Total Miscellaneous Revenues	A-1	<u>13,002,441.99</u>		<u>1,549,529.24</u>	<u>16,750,822.13</u>	<u>2,198,850.90</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 3

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	<u>Anticipated</u>		<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special</u>			
Receipts from Delinquent Taxes	A-2	\$ 925,000.00	\$		\$ 1,150,470.30	\$ 225,470.30
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-5	23,723,972.80			25,986,384.58	2,262,411.78
Budget Totals	A-1,2	45,398,216.52	1,549,529.24		51,634,478.74	4,686,732.98
Non-Budget Revenues		\$ 45,398,216.52	\$ 1,549,529.24		\$ 53,521,536.84	\$ 6,573,791.08

Ref. A-3 A-3 A-3

Analysis of Realized Revenues

Allocation of Current Tax Collection

Revenue from Collections	A-1,5	\$ 151,099,457.29
Allocated to School, County and Special District Taxes	A-5	127,165,510.03
Balance for Support of Municipal Budget Appropriations		23,933,947.26
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	2,052,437.32
Amount for Support of Municipal Appropriations	A-2	\$ 25,986,384.58

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, 2022

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Reserved		
<b>OPERATIONS WITHIN CAPS</b>							
<b>General Government</b>							
Administrative and Executive							
Salaries and Wages	\$ 254,000.00	\$	254,000.00	\$ 253,803.70	\$	196.30	\$
Other Expenses	11,500.00		11,500.00	2,867.02		8,632.98	
Public Information Office							
Salaries and Wages	36,000.00		36,000.00	13,571.02		22,428.98	
Other Expenses	7,000.00		7,000.00	846.12		6,153.88	
Purchasing Department							
Salaries and Wages	60,000.00		61,500.00	60,455.30		1,044.70	
Other Expenses	39,000.00		37,500.00	25,093.40		12,406.60	
Human Resources							
Salaries and Wages	52,000.00		52,000.00	48,692.16		3,307.84	
Other Expenses	17,000.00		17,000.00	12,896.34		4,103.66	
Mayor and Township Committee							
Salaries and Wages	53,000.00		53,000.00	52,024.45		975.55	
Other Expenses	30,000.00		30,000.00	18,307.83		11,692.17	
Municipal Clerk							
Salaries and Wages	196,000.00		196,000.00	190,637.73		5,362.27	
Other Expenses	100,650.00		100,650.00	86,662.29		13,987.71	
Elections							
Salaries and Wages	1,000.00		1,000.00	419.19		580.81	
Other Expenses	15,200.00		15,200.00	13,402.22		1,797.78	
Financial Administration							
Salaries and Wages	147,000.00		147,000.00	141,196.29		5,803.71	
Other Expenses	58,650.00		58,650.00	56,599.72		2,050.28	
	36,000.00		36,000.00	31,464.00		4,536.00	
Information Technology							
Salaries and Wages	109,000.00		109,000.00	106,703.84		2,296.16	
Other Expenses	197,000.00		197,000.00	182,089.55		14,910.45	

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, 2022**

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Paid or Charged	Reserved	
Revenue Administration (Collection of Taxes)						
Salaries and Wages	\$ 102,000.00	\$ 102,000.00	\$	\$ 100,985.30	\$ 1,014.70	\$
Other Expenses	29,300.00	29,300.00		23,110.06	6,189.94	
Assessment of Taxes						
Salaries and Wages	187,000.00	187,000.00		186,681.70	318.30	
Other Expenses	225,250.00	280,250.00		190,952.49	89,297.51	
Cost of Tax Appeals	100,000.00	45,000.00			45,000.00	
Legal Services and Costs						
Other Expenses	350,000.00	350,000.00		305,415.17	44,584.83	
Affordable Housing Services and Costs						
Other Expenses	150,000.00	150,000.00		77,599.79	72,400.21	
Engineering Services and Costs						
Salaries and Wages	358,000.00	358,000.00		307,349.83	50,650.17	
Other Expenses	24,700.00	24,700.00		18,219.57	6,480.43	
Historical Preservation						
Other Expenses	5,700.00	5,700.00		4,989.16	710.84	
Municipal Land Use Law						
Planning Board						
Salaries and Wages	168,000.00	168,000.00		165,003.88	2,996.12	
Other Expenses	67,600.00	67,600.00		21,725.81	45,874.19	
Insurance						
Other Insurance	615,009.00	590,009.00		511,776.08	78,232.92	
Workmen's Compensation	599,287.00	599,287.00		500,090.25	99,196.75	
Group Insurance for Employees	7,004,330.41	7,004,330.41		6,344,343.44	659,986.97	
Health Benefit Waiver	150,000.00	150,000.00		141,800.00	8,200.00	
Code Enforcement - Other						
Salaries and Wages	174,000.00	174,000.00		171,433.45	2,566.55	
Other Expenses	12,200.00	12,200.00		9,745.00	2,455.00	
<b>Public Safety</b>						
Police						
Salaries and Wages	9,375,000.00	9,199,212.16		8,591,719.97	607,492.19	
Other Expenses	770,800.00	799,087.84		728,694.75	70,393.09	

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, 2022

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Reserved		
Office of Emergency Management	\$	5,000.00	\$	4,587.39	\$	412.61	\$
Salaries and Wages		500.00	500.00			500.00	
Other Expenses							
Bureau of Fire Protection		50,000.00	50,000.00	48,854.10		1,145.90	
Salaries and Wages		5,500.00	5,500.00	3,461.00		2,039.00	
Other Expenses							
Uniform Fire Safety Act		78,000.00	89,500.00	87,054.18		2,445.82	
Salaries and Wages		13,000.00	4,000.00	2,960.00		1,040.00	
Other Expenses							
Municipal Prosecutor		75,000.00	75,000.00	66,153.12		8,846.88	
Other Expenses							
<b>Public Works</b>							
Road Repairs and Maintenance		1,124,000.00	1,036,500.00	999,602.14		36,897.86	
Salaries and Wages		306,600.00	306,600.00	182,970.37		123,629.63	
Other Expenses							
Snow Removal		249,000.00	249,000.00	98,712.79		150,287.21	
Salaries and Wages		225,000.00	125,000.00	26,730.72		98,269.28	
Other Expenses							
Shade Tree Commission		60,000.00	60,000.00	21,715.84		38,284.16	
Salaries and Wages		18,000.00	18,000.00	9,125.42		8,874.58	
Other Expenses							
Recycling		130,000.00	105,000.00	97,875.66		7,124.34	
Salaries and Wages		700,000.00	725,000.00	614,574.38		110,425.62	
Other Expenses							
Public Buildings and Grounds		446,000.00	481,000.00	461,436.28		19,563.72	
Salaries and Wages		150,000.00	150,000.00	146,916.01		3,083.99	
Other Expenses							
Equipment Maintenance and Repair		395,000.00	395,000.00	337,853.49		57,146.51	
Salaries and Wages		385,650.00	375,650.00	336,325.39		39,324.61	
Other Expenses							
Condominium Services Act		120,000.00	120,000.00	117,370.10		2,629.90	
Other Expenses							

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, 2022**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Reserved		
<b><u>Health and Welfare</u></b>							
Board of Health							
Salaries and Wages	\$ 260,000.00	\$	332,500.00	\$ 319,559.58	\$	12,940.42	\$
Other Expenses	66,600.00		76,600.00	71,116.52		5,483.48	
Animal Control							
Other Expenses	82,000.00		82,000.00	81,992.00		8.00	
Environmental Commission							
Other Expenses	400.00		400.00			400.00	
<b><u>Recreation and Education</u></b>							
Board of Recreation Commissioners							
Salaries and Wages	408,000.00		498,000.00	478,904.83		19,095.17	
Other Expenses	128,200.00		128,200.00	127,593.21		606.79	
Senior Center							
Salaries and Wages	132,000.00		132,000.00	117,437.07		14,562.93	
Other Expenses	20,000.00		20,000.00	19,866.75		133.25	
<b><u>Municipal Court</u></b>							
Municipal Court							
Salaries and Wages	411,000.00		421,000.00	415,705.01		5,294.99	
Other Expenses	19,300.00		19,300.00	18,703.85		596.15	
Public Defender							
Other Expenses	35,000.00		35,000.00	35,000.00			
<b><u>Uniform Construction Code</u></b>							
State Uniform Construction Code Official							
Salaries and Wages	612,000.00		612,000.00	584,874.45		27,125.55	
Other Expenses	39,750.00		39,750.00	20,827.60		18,922.40	

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 5 of 9

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

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
<b>Unclassified</b>						
Utilities:						
Electricity	\$ 239,000.00	\$	264,000.00	\$ 211,007.29	\$ 52,992.71	\$
Street Lighting	287,000.00		312,000.00	271,409.36	40,590.64	
Telephone	150,000.00		115,000.00	92,302.37	22,697.63	
Water and Sewer	77,000.00		77,000.00	66,782.54	10,217.46	
Natural Gas	155,000.00		75,000.00	47,945.33	27,054.67	
Gasoline	425,000.00		495,000.00	470,296.45	24,703.55	
Total Operations within Caps	29,971,676.41		29,826,676.41	26,814,970.46	3,011,705.95	
Contingent	1.00		1.00		1.00	
Total Operations (Including Contingent) within Caps	29,971,677.41		29,826,677.41	26,814,970.46	3,011,706.95	
Detail:						
Salaries and Wages	15,782,000.00		15,714,212.16	14,606,650.62	1,107,561.54	
Other Expenses	14,189,677.41		14,112,465.25	12,208,319.84	1,904,145.41	

**STATUTORY EXPENDITURES WITHIN CAPS**

Contribution to:						
Public Employees Retirement System	1,124,198.90		1,122,998.90	1,108,358.79	14,640.11	
Social Security System (O.A.S.I.)	1,156,680.00		1,181,680.00	1,164,923.44	16,756.56	
Police and Firemen's Retirement System of NJ	2,470,600.00		2,471,800.00	2,471,790.40	9.60	
Unemployment Compensation Insurance	65,000.00		65,000.00	65,000.00		
Defined Contribution Retirement Program	8,000.00		8,000.00	1,767.25	6,232.75	
Sick Leave Trust Account	75,000.00		75,000.00	75,000.00		
Total Statutory Expenditures within Caps	4,899,478.90		4,924,478.90	4,886,839.88	37,639.02	
Total Appropriations within Caps	34,871,156.31		34,751,156.31	31,701,810.34	3,049,345.97	

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, 2022**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Reserved		
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>							
SFSP Fire District Payment	\$ 9,252.00	\$	9,252.00	\$ 9,252.00	\$	\$	
Local Matching Fund for Grants	500.00		500.00			500.00	
<b><u>Shared Service Agreements</u></b>							
Board of Health							
Salaries and Wages	431,000.00		431,000.00	398,994.41		32,005.59	
Other Expenses	41,060.00		41,060.00	38,324.11		2,735.89	
Board of Health - VNA Health Group							
Salaries and Wages	3,250.00		3,250.00			3,250.00	
Other Expenses	3,000.00		3,000.00			3,000.00	
Information Technology							
Salaries and Wages	274,000.00		274,000.00	263,341.05		10,658.95	
Licensed Operational Services							
Salaries and Wages	52,000.00		67,000.00	62,145.78		4,854.22	
Dispatch Services							
County of Monmouth							
Other Expenses	393,778.00		393,778.00	393,778.00			
Road Repair and Maintenance							
Fuel Oil							
Other Expenses	200,000.00		290,000.00	276,276.10		13,723.90	
Equipment Maintenance							
Other Expenses	50,000.00		65,000.00	51,599.76		13,400.24	
Police - School Security Detail							
Salaries and Wages	116,000.00		116,000.00	97,406.36		18,593.64	
Western Monmouth Active Shooter							
Other Expenses	6,584.00		6,584.00	6,011.82		572.18	
Construction Code - Borough of Freehold							
Other Expenses	60,000.00		60,000.00	29,588.00		30,412.00	

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, 2022

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
<b>Public and Private Programs Offset by Revenues</b>						
State Grants:						
Alcohol Education and Rehabilitation		\$	5,843.50	\$	5,843.50	\$
Alliance to Prevent Alcoholism and Drug Abuse	40,750.00		40,750.00		40,750.00	
Body Armor Fund	3,187.17		3,187.17		3,187.17	
Childhood Lead Exposure	25,250.00		54,335.00		54,335.00	
Clean Communities Program			82,159.03		82,159.03	
DHMAS Youth Leadership Grant			11,106.16		11,106.16	
Safe and Secure Communities Program			32,400.00		32,400.00	
Safe Corridors			35,909.00		35,909.00	
Strengthen Public Health			274,735.00		274,735.00	
Federal Grants:						
Bulletproof Vests	4,427.50		4,427.50		4,427.50	
Click It or Ticket			7,000.00		7,000.00	
Distracted Driving	10,500.00		10,500.00		10,500.00	
Drive Sober or Get Pulled Over			7,000.00		7,000.00	
Hazard Mitigation Grant			1,064,291.55		1,064,291.55	
Total Operations excluded from Caps	<u>1,724,538.67</u>		<u>3,394,067.91</u>		<u>3,260,361.30</u>	<u>133,706.61</u>
Detail:						
Salaries and Wages	876,250.00		891,250.00		821,887.60	69,362.40
Other Expenses	<u>848,288.67</u>		<u>2,502,817.91</u>		<u>2,438,473.70</u>	<u>64,344.21</u>
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</b>						
Capital Improvement Fund	<u>400,000.00</u>		<u>400,000.00</u>		<u>400,000.00</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, 2022**

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Reserved		
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>							
Payment of Bond Principal	\$ 3,153,000.00		\$ 3,153,000.00	\$ 3,153,000.00		\$	\$ 102,500.00
Payment of Bond Anticipation and Capital Notes	150,000.00		150,000.00	47,500.00			
Interest on Bonds	635,057.87		635,057.87	635,057.87			
Interest on Notes	211,560.69		211,560.69	125,051.67			
M.C.I.A. Bond Principal	358,900.00		358,900.00	358,900.00			86,509.02
M.C.I.A. Bond Interest	36,815.00		36,815.00	36,814.79			.21
M.C.I.A. Lease Principal	726,850.00		726,850.00	726,772.88			77.12
M.C.I.A. Lease Interest	129,143.66		129,143.66	129,021.26			122.40
Total Municipal Debt Service excluded from Caps	<u>5,401,327.22</u>		<u>5,401,327.22</u>	<u>5,212,118.47</u>			<u>189,208.75</u>
<b><u>TRANSFERRED TO BOARD OF EDUCATION</u></b>							
Board of Education	948,757.00		948,757.00	948,757.00			
Total General Appropriations excluded from Caps	<u>8,474,622.89</u>		<u>10,144,152.13</u>	<u>9,821,236.77</u>		<u>133,706.61</u>	<u>189,208.75</u>
Subtotal General Appropriations	43,345,779.20		44,895,308.44	41,523,047.11		3,183,052.58	189,208.75
Reserve for Uncollected Taxes	<u>2,052,437.32</u>		<u>2,052,437.32</u>	<u>2,052,437.32</u>			
Total General Appropriations	<u>\$ 45,398,216.52</u>		<u>\$ 46,947,745.76</u>	<u>\$ 43,575,484.43</u>		<u>\$ 3,183,052.58</u>	<u>\$ 189,208.75</u>
Ref.	A-3	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, 2022**

	<b><u>Ref.</u></b>	<b><u>Appropriated Budget After Modification</u></b>
Budget	A-2	\$ 45,398,216.52
Added by N.J.S. 40A:4-87	A-2	1,549,529.24
	A-3	\$ 46,947,745.76
		<b><u>Expended Paid or Charged</u></b>
Disbursements	A-4	\$ 38,667,735.91
Reserve for:		
Encumbrances	A	1,232,264.51
Uncollected Taxes	A-2	2,052,437.32
Prepaid Health Premiums		(10,597.22)
Interfunds:		
Grant Fund	A-13	1,633,643.91
	A-3	\$ 43,575,484.43

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

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TRUST FUND

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**TRUST FUND**

**Exhibit B**

**STATEMENTS OF ASSETS, LIABILITIES,**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-1	\$ 50,395.64	\$ 74,167.63
<b><u>Other Trust Fund</u></b>			
Cash	B-1	20,634,488.06	14,603,106.11
Grant Receivable	B-1,5		686.75
Promissory Note Receivable		400,000.00	400,000.00
		<u>21,034,488.06</u>	<u>15,003,792.86</u>
		\$ <u>21,084,883.70</u>	\$ <u>15,077,960.49</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Due State of New Jersey	B-2	\$	\$ 16.80
Reserve for Animal Control Trust Fund	B-3	50,395.64	45,278.86
Interfund - Current Fund	B-4		28,871.97
		<u>50,395.64</u>	<u>74,167.63</u>
<b><u>Other Trust Fund</u></b>			
Miscellaneous Reserves	B-5	20,226,739.27	14,326,233.23
Reserve for Promissory Note Receivable		400,000.00	400,000.00
Interfund - Current Fund	B-6	407,748.79	277,559.63
		<u>21,034,488.06</u>	<u>15,003,792.86</u>
		\$ <u>21,084,883.70</u>	\$ <u>15,077,960.49</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, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$ 22,228,203.00	\$ 19,336,745.60
Grants Receivable	C-3	580,800.00	870,800.00
Loan Receivable		340,884.81	337,894.81
Deferred Charges to Future Taxation:			
Funded	C-4	51,629,774.56	33,118,530.74
Unfunded	C-5	22,575,362.84	36,300,602.00
Capital Lease	C-12	2,016,890.00	2,743,740.00
Installment Note		1,945,098.18	2,073,886.11
		<u>\$ 101,317,013.39</u>	<u>\$ 94,782,199.26</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
General Serial Bonds	C-6	\$ 51,350,000.00	\$ 32,763,000.00
Green Trust Loan	C-7	279,774.56	355,530.74
Bond Anticipation Notes	C-8	9,767,500.00	12,540,000.00
Installment Note Payable		1,945,098.18	2,073,886.11
Interfund - Current Fund	C-2	102,500.00	
Improvement Authorizations:			
Funded	C-9	8,448,517.20	4,679,082.64
Unfunded	C-9	22,214,461.77	36,070,617.02
Reserve for Encumbrances	C-9	1,300,542.67	789,522.21
Capital Improvement Fund	C-10	464,943.58	228,733.41
Down Payments on Improvements	C-11	95,737.00	95,737.00
M.C.I.A. Lease Payable	C-12	2,016,890.00	2,743,740.00
Reserve for:			
Debt Service	C-3	462,387.81	287,937.81
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	340,884.81	337,894.81
Fund Balance	C-1	2,497,196.61	1,785,938.31
		<u>\$ 101,317,013.39</u>	<u>\$ 94,782,199.26</u>

There were bonds and notes authorized but not issued on December 31, 2022 and 2021 of \$12,807,862.84 and \$23,760,602.00, 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, 2022**

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 1,785,938.31
Increased by:		
Receipts:		
Premium on Sale of Notes	C-2	\$ 65,163.80
Premium on Sale of Bonds	C-2	<u>871,413.76</u>
		<u>936,577.56</u>
		2,722,515.87
Decreased by:		
Capital Fund Balance to Current Fund	C-2	<u>225,319.26</u>
Balance December 31, 2022	C	<u><u>\$ 2,497,196.61</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, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 11,859,639.94	\$ 11,035,990.33
Investments	D-5	30,044.79	30,700.23
Cash - Change Fund		100.00	100.00
		<u>11,889,784.73</u>	<u>11,066,790.56</u>
Receivables with Full Reserves:			
Water Charges Receivable	D-7	326,506.76	241,912.80
Sewer Charges Receivable	D-8	456,385.02	409,142.62
Bankruptcy Utility Charges		491.67	1,174.06
		<u>783,383.45</u>	<u>652,229.48</u>
Total Operating Fund		<u>12,673,168.18</u>	<u>11,719,020.04</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	9,450,775.82	12,124,456.61
Connection Fees Receivable		18,576.00	18,576.00
Fixed Capital	D-9	54,941,484.54	54,941,484.54
Fixed Capital Authorized and Uncompleted	D-10	28,255,289.75	26,893,289.75
Total Capital Fund		<u>92,666,126.11</u>	<u>93,977,806.90</u>
		<u>\$ 105,339,294.29</u>	<u>\$ 105,696,826.94</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, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Liabilities, Reserves and Fund Balance (Continued)</u></b>			
Operating Fund:			
Appropriation Reserves	D-4,11	\$ 1,382,584.41	\$ 886,819.83
Reserve for Encumbrances	D-4,11	275,506.46	155,944.67
Accounts Payable		2,236.50	5,200.50
Interfund - Current Fund	D-4		1,777.88
Prepaid Water-Sewer Rents	D-5,7,8	27,583.45	41,059.40
Accrued Interest on Bonds and Notes	D-12	40,777.29	37,027.53
		<u>1,728,688.11</u>	<u>1,127,829.81</u>
Reserve for Receivables		783,383.45	652,229.48
Operating Fund Balance	D-2	<u>10,161,096.62</u>	<u>9,938,960.75</u>
Total Operating Fund		<u>12,673,168.18</u>	<u>11,719,020.04</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-13	1,719,872.65	1,563,393.71
Unfunded	D-13	8,783,513.95	13,508,039.73
Reserve for Encumbrances	D-13	2,272,743.30	965,537.81
Capital Improvement Fund	D-14	479,752.57	429,752.57
Reserve for Amortization	D-15	54,713,129.35	54,120,887.15
Deferred Reserve for Amortization	D-16	6,356,095.19	5,673,187.39
Serial Bonds	D-17	11,550,000.00	7,260,000.00
Bond Anticipation Notes	D-18	4,880,000.00	8,675,000.00
M.C.I.A. Lease Payable	D-19	310,110.00	385,260.00
Reserve for Infrastructure Contribution		83,964.29	83,964.29
Reserve for Accounts Receivable		18,576.00	18,576.00
Fund Balance	D-1	<u>1,498,368.81</u>	<u>1,294,208.25</u>
Total Capital Fund		<u>92,666,126.11</u>	<u>93,977,806.90</u>
		<u>\$ 105,339,294.29</u>	<u>\$ 105,696,826.94</u>

There were bonds and notes authorized but not issued on December 31, 2022 and 2021 of \$5,387,439.75 and \$5,720,439.75, 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, 2022**

Balance December 31, 2021	<u>Ref.</u> D		\$ 1,294,208.25
Increased by:			
Premium on Sale of Bonds	D-5	\$ 204,405.70	
Premium on Sale of Notes	D-5	<u>32,095.60</u>	
			<u>236,501.30</u>
			1,530,709.55
Decreased by:			
Anticipated as Revenue in Utility Operating	D-5		<u>32,340.74</u>
Balance December 31, 2022	D		<u>\$ 1,498,368.81</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, 2022 AND 2021**

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	D-3	\$ 3,176,605.26	\$ 3,080,514.00
Rents:			
Water Charges	D-3	4,626,494.84	4,308,035.52
Sewer Charges	D-3	7,817,433.89	7,686,856.57
Miscellaneous:			
Water Connection Fees	D-3	597,174.76	739,157.06
Sewer Connection Fees	D-3	424,591.68	377,711.80
Interest on Deposits	D-3	69,723.30	63,787.41
Fire Hydrant Service	D-3	220,095.89	225,192.52
Miscellaneous Revenue Anticipated	D-3	156,731.25	150,085.60
Fund Balance:			
Utility Capital Fund	D-3	32,340.74	20,757.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	692,002.18	1,064,962.26
MRRSA 2020 Flow Credit			407,149.76
Total Income		<u>17,813,193.79</u>	<u>18,124,209.50</u>
<b><u>Budget and Other Expenditures</u></b>			
Budget:			
Operating		12,118,806.00	11,463,427.00
Capital Improvements		363,000.00	193,000.00
Debt Service		1,542,853.43	1,594,327.00
Statutory Expenditures		389,793.23	363,417.00
	D-4	<u>14,414,452.66</u>	<u>13,614,171.00</u>
Excess in Revenues		3,398,741.13	4,510,038.50
Fund Balance January 1	D	<u>9,938,960.75</u>	<u>8,509,436.25</u>
		13,337,701.88	13,019,474.75
Decreased by:			
Utilization by:			
Water-Sewer Operating Budget	D-2	<u>3,176,605.26</u>	<u>3,080,514.00</u>
Fund Balance December 31	D	<u>\$ 10,161,096.62</u>	<u>\$ 9,938,960.75</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, 2022**

	<b><u>Ref.</u></b>	<b><u>Anticipated Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess or (Deficit)</u></b>
Fund Balance Anticipated	D-2	\$ 3,176,605.26	\$ 3,176,605.26	\$
Water Rents	D-2,7	3,800,000.00	4,626,494.84	826,494.84
Sewer Rents	D-2,8	7,010,879.50	7,817,433.89	806,554.39
Miscellaneous:				
Water Connection Fees	D-2,5	150,000.00	597,174.76	447,174.76
Sewer Connection Fees	D-2,5	25,000.00	424,591.68	399,591.68
Interest on Deposits	D-2,5	60,000.00	69,723.30	9,723.30
Fire Hydrant Service	D-2,7	80,000.00	220,095.89	140,095.89
Miscellaneous Other	D-2,3	80,423.73	156,731.25	76,307.52
Fund Balance:				
Utility Capital Fund	D-2,5	32,340.74	32,340.74	
		<u>\$ 14,415,249.23</u>	<u>\$ 17,121,191.61</u>	<u>\$ 2,705,942.38</u>
	<b><u>Ref.</u></b>	D-5		
<b><u>Analysis of Miscellaneous Other</u></b>				
Interest on Delinquent Accounts			\$ 63,555.98	
Meter Installation			14,225.30	
Reconnect and Disconnect Fees			2,795.00	
NSF Check Fees			3,066.00	
Miscellaneous Other			72,406.58	
Bankruptcy Receivable Realized			682.39	
	D-3,5		<u>\$ 156,731.25</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-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 1,746,000.00	\$ 1,746,000.00	\$ 1,509,100.24	\$ 236,899.76	\$
Other Expenses	10,372,806.00	10,372,806.00	9,548,911.29	823,894.71	
Capital Improvements					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Capital Outlay	313,000.00	313,000.00	7,940.00	305,060.00	
Debt Service					
Payment of Bond Principal	1,125,000.00	1,125,000.00	1,125,000.00		
Payment of Bond Anticipation Notes	75,000.00	75,000.00	75,000.00		
Interest on Bonds	160,000.00	160,000.00	160,000.00		
Interest on Notes	87,500.00	87,500.00	87,500.00		
M.C.I.A. - Principal	75,150.00	75,150.00	75,150.00		
M.C.I.A. - Interest	21,000.00	21,000.00	20,203.43		796.57
Statutory Expenditures					
Contribution to:					
Public Employees' Retirement System	256,223.73	256,223.73	256,223.73		
Social Security System (O.A.S.I.)	133,569.50	133,569.50	116,839.56	16,729.94	
	<u>\$ 14,415,249.23</u>	<u>\$ 14,415,249.23</u>	<u>\$ 13,031,868.25</u>	<u>\$ 1,382,584.41</u>	<u>\$ 796.57</u>
	Ref.	D-3	D-2	D	D-2
Reserve for Encumbrances			\$ 275,506.46		
Disbursements			12,508,861.79		
Accrued Interest on Bonds and Notes			<u>247,500.00</u>		
			<u>\$ 13,031,868.25</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	\$ 120,058,652.33	\$ 104,754,000.00
Buildings and Improvements	12,053,800.00	12,053,800.00
Equipment	4,293,886.56	4,325,359.32
Motor Vehicles and Equipment	11,761,906.83	11,268,135.20
	<u>\$ 148,168,245.72</u>	<u>\$ 132,401,294.52</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>\$ 148,168,245.72</u>	<u>\$ 132,401,294.52</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
Cash	\$ <u>149,296.04</u>	\$ <u>390,361.81</u>
<b><u>Liabilities</u></b>		
Due to Various Agencies	\$ 149,296.04	\$ 136,913.96
Interfund - Current Fund		<u>253,447.85</u>
	<u>\$ 149,296.04</u>	<u>\$ 390,361.81</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, 2022**

**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.

The Governmental Accounting Standards Board ("GASB") Statement 14, as amended by GASB Statements No. 39, 61 and 90, established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units during 2022.

**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"):

**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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Descriptions of Funds (Continued)**

**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.

**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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**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. The status of deferred charges at December 31, 2022 is set forth in Notes 4.

**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, 2022 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. 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, 2021 and decreased by the amount deferred at December 31, 2022.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**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.

**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.SA 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,

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Cash and Cash Equivalents (Continued)**

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.

**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, 2022**

**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 2022 and 2021 the following changes occurred in the fixed assets of the Township:

	<b>Balance</b>	<b>Expended from</b>		<b>Less:</b>	<b>Balance</b>
	<b>Jan. 1, 2022</b>	<b>Current/ Capital Funds</b>	<b>Utility Fund</b>	<b>Disposals</b>	<b>Dec. 31, 2022</b>
General Fixed Assets Account Group:					
Land	\$ 104,754,000	\$ 15,304,652	\$	\$	\$ 120,058,652
Buildings and Improvements	12,053,800				12,053,800
Equipment	4,325,359	32,255		63,727	4,293,887
Motor Vehicles and Equipment	11,268,135	517,845		24,073	11,761,907
	<u>132,401,294</u>	<u>15,854,752</u>		<u>87,800</u>	<u>148,168,246</u>
Water-Sewer Utility Capital Fund:					
Fixed Capital	54,941,484				54,941,484
Fixed Capital Authorized and Uncompleted	26,893,290		1,362,000		28,255,290
	<u>81,834,774</u>		<u>1,362,000</u>		<u>83,196,774</u>
	\$ <u>214,236,068</u>	\$ <u>15,854,752</u>	\$ <u>1,362,000</u>	\$ <u>87,800</u>	\$ <u>231,365,020</u>

	<b>Balance</b>	<b>Expended from</b>		<b>Less:</b>	<b>Balance</b>
	<b>Jan. 1, 2021</b>	<b>Current/ Capital Funds</b>	<b>Utility Fund</b>	<b>Disposals</b>	<b>Dec. 31, 2021</b>
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		6,054,000		26,893,290
	<u>75,654,811</u>		<u>6,197,220</u>	<u>17,257</u>	<u>81,834,774</u>
	\$ <u>207,891,145</u>	\$ <u>994,075</u>	\$ <u>6,197,220</u>	\$ <u>846,372</u>	\$ <u>214,236,068</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**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.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenditures, 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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Accounting and financial Reporting for Pensions (Continued)**

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.

**H. Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)**

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan)

The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

**I. Leases**

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I Leases (Continued)**

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

**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.

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 \$94,841,566 and the bank balance amount was \$94,740,512. 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 \$94,490,512.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**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
- (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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. Investments (Continued)**

At year-end, the carrying value of the Township's investments and the investment balance was \$20,112,892 of which and is reflected in the financial statements was follows:

	<b>Current Fund</b>	<b>Utility Operating Fund</b>	<b>Total</b>
Notes of Other Municipalities	\$ 20,032,540	\$	\$ 20,032,540
U.S. Treasury Notes	50,307	30,045	80,352
	<u>\$ 20,082,847</u>	<u>\$ 30,045</u>	<u>\$ 20,112,892</u>

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

	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Amount</b>
Dover Township	5/26/2023	\$ 2.975%	\$ 1,214,145
Greenwich Township	4/26/2023	2.250%	4,396,000
Hawthorne Borough	9/08/2023	3.150%	1,924,000
Hawthorne Borough	9/08/2023	2.825%	2,696,500
Little Ferry Borough	4/19/2023	1.850%	959,000
Pohatcong Township	11/02/2023	4.110%	920,000
Pohatcong Township	11/02/2023	4.110%	2,120,895
Robbinsville Township	4/12/2023	1.395%	1,850,000
Tinton Falls Borough	10/26/2023	3.550%	3,952,000
			<u>\$ 20,032,540</u>

**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, 2022, the Township had the following recurring fair value measurements:

	<b>Dec. 31, 2022</b>	<b>Fair Value Measurements Using</b>		
		<b>Level I</b>	<b>Level II</b>	<b>Level III</b>
Debt Securities:				
U.S. Treasuries	\$ <u>80,352</u>	\$ <u>80,352</u>	\$ <u>-</u>	\$ <u>-</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**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.

**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	94,490,512
Investments	<u>20,112,892</u>
	\$ <u>114,853,404</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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**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.

As of December 31, 2022, the Township's investments had the following maturities:

	<b><u>Investment Maturities (In Years)</u></b>				
	<b><u>Cost Value</u></b>	<b><u>1 Year</u></b>	<b><u>1-5 Years</u></b>	<b><u>6-10 Years</u></b>	<b><u>Over 10 Years</u></b>
Debt Securities:					
U.S. Treasuries	\$ <u>80,352</u>	\$ <u>80,352</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, 2022 and 2021 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:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 3. ACCOUNTS RECIEVABLE (CONTINUED)**

	<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>
<b><u>December 31, 2022</u></b>							
State	\$	\$ 277,424	\$	\$ 580,800	\$	\$	\$ 858,224
Federal		216,575					216,575
Taxes and User Fees	1,285,767				783,383		2,069,150
Other	171,142			340,885		18,576	530,603
	<u>\$ 1,456,909</u>	<u>\$ 493,999</u>	<u>\$ -0-</u>	<u>\$ 921,685</u>	<u>\$ 783,383</u>	<u>\$ 18,576</u>	<u>\$ 3,674,552</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>
<b><u>December 31, 2021</u></b>							
State	\$	\$ 197,010	\$ 687	\$ 870,800	\$	\$	\$ 1,068,497
Federal		343,439					343,439
Taxes and User Fees	1,446,580				652,229		2,098,809
Other	304,868			337,895		18,576	661,339
	<u>\$ 1,751,448</u>	<u>\$ 540,447</u>	<u>\$ 687</u>	<u>\$ 1,208,695</u>	<u>\$ 652,229</u>	<u>\$ 18,576</u>	<u>\$ 4,172,082</u>

**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, 2022:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 510,249	\$ 2,869,718
Grant Fund	2,869,718	
Other Trust Fund		407,749
General Capital Fund		102,500
Total	<u>\$ 3,379,967</u>	<u>\$ 3,379,967</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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**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:

		<b>Balance December 31</b>						
		<b>Local District School Taxes</b>		<b>Regional District School Taxes</b>				
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>			
Balance of Tax	\$	37,453,172	\$	36,685,277	\$	14,157,636	\$	14,577,794
Deferred		<u>25,566,589</u>		<u>25,566,589</u>				
Tax Payable	\$	<u>11,886,583</u>	\$	<u>11,118,688</u>	\$	<u>14,157,636</u>	\$	<u>14,577,794</u>

**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:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 7. DEBT (CONTINUED)**

**A. Long-term Debt (Continued)**

**General Capital Fund**

1.50% to 3.50% Open Space Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2014	\$ 130,000
2.00% to 3.25% General Obligation Bonds Issued December 1, 2014, installment maturities to December 1, 2026	1,955,000
2.00% to 4.00% General Obligation Bonds Issued December 1, 2015, installment maturities to November 1, 2027	3,720,000
4.00% to 5.00% General Obligation Refunding Bonds Issued March 24, 2016, installment maturities to December 1, 2023	510,000
1.00% to 3.00% General Obligation Refunding Bonds Issued November 8, 2017, installment maturities to September 15, 2028	4,355,000
1.00% to 4.00% General Obligation Bonds Issued November 4, 2019, installment maturities to October 15, 2031	7,440,000
.50% to 2.00% General Obligation Bonds Issued October 28, 2021, installment maturities to October 15, 2032	10,670,000
4.00% General Obligation Bonds issued October 26, 2022, installment maturities to October 15, 2032	9,000,000
3.50% to 4.00% Open Space Bonds issued October 26, 2022, installment maturities to October 15, 2027	<u>13,570,000</u>
	<b>\$ <u>51,350,000</u></b>

**Water-Sewer Utility Capital Fund**

1.50% to 3.50% Utility Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2024	\$ 340,000
2.00% to 4.00% Utility Bonds Issued December 11, 2015, installment maturities to November 1, 2027	2,460,000
1.00% to 4.00% Utility Bonds Issued November 4, 2019, installment maturities to October 15, 2031	1,785,000
.50% to 2.00% Utility Bonds Issued October 28, 2021, installment maturities to October 15, 2033	1,550,000
4.00% Utility Bonds issued October 26, 2022, installment Maturities to October 15, 2032	<u>5,415,000</u>
	<b>\$ <u>11,550,000</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 7. DEBT (CONTINUED)**

**A. Long-term Debt (Continued)**

The General Capital Fund bonds mature serially in installments to the year 2037 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>
2023	\$ 5,435,000	\$ 1,472,534
2024	5,375,000	1,346,411
2025	5,425,000	1,222,606
2026	5,565,000	1,078,931
2027	5,155,000	919,857
2028-32	19,160,000	2,603,688
2033-37	<u>5,235,000</u>	<u>598,525</u>
Total	\$ <u>51,350,000</u>	\$ <u>9,242,552</u>

**Water-Sewer Utility Capital Fund**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,380,000	\$ 342,219
2024	1,465,000	310,845
2025	1,325,000	272,025
2026	1,355,000	234,363
2027	1,395,000	193,200
2028-32	4,475,000	443,150
2033	<u>155,000</u>	<u>3,100</u>
Total	\$ <u>11,550,000</u>	\$ <u>1,798,902</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, 2022 was \$279,775. Loan payments are due through 2027.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 7. DEBT (CONTINUED)**

**A. Long-term Debt (Continued)**

**Green Trust Loan Program (Continued)**

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 77,279	\$ 5,211
2024	78,832	3,658
2025	67,980	2,073
2026	37,305	831
2027	<u>18,379</u>	<u>276</u>
Total	\$ <u>279,775</u>	\$ <u>12,049</u>

**Installment Purchase Agreements**

The Township has entered into the following Installment Purchase Agreements

The Township has entered into an Installment Purchase Agreement in August 2022 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, 2022 is \$1,945,098.

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 131,519	\$ 39,586
2024	134,307	36,797
2025	137,155	33,950
2026	140,063	31,041
2027	143,033	28,072
2028-32	761,963	93,560
2033-35	<u>497,058</u>	<u>16,257</u>
Total	\$ <u>1,945,098</u>	\$ <u>279,263</u>

**NOTE 7. DEBT (CONTINUED)**

**A. Long-term Debt (Continued)**

**Installment Purchase Agreements (Continued)**

The Township has also authorized the following Installment Purchase Agreements through the Monmouth County Improvement Authority

Year	<u>General Capital</u>	<u>Water-Sewer Capital</u>
2013	\$844,200	\$73,800
2015	1,065,000	
2017	1,312,000	
2019	1,109,410	309,590
2022	1,158,780	143,220

As described in Note 1, the obligations under the installment Purchase Agreements based upon the regulatory basis of accounting is as follows:

	<u>General Capital Fund</u>		<u>Water-Sewer Utility Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	120,680	18,308	20,320	3,891
2028-31	264,400	26,439	52,600	5,151
Total	\$ <u>2,016,890</u>	\$ <u>290,601</u>	\$ <u>310,110</u>	\$ <u>51,154</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 7. DEBT (COTINUED)**

**B. Short-Term Debt**

On December 31, 2022, the Township's outstanding Bond Anticipation Notes were as follows:

<u>Ordinance Number</u>	<u>General Capital Fund</u>	<u>Balance Dec. 31, 2022</u>	<u>Interest Rate</u>
19-10	Various Improvements	\$ 292,500	4.25%
20-10	Various Improvements	1,200,000	4.25%
21-06	Various Improvements	2,000,000	4.25%
15-10	Various Improvements	1,265,000	4.25%
17-06	Various Improvements	540,000	4.25%
20-10	Various Improvements	120,000	4.25%
21-06	Various Improvements	2,600,000	4.25%
22-14	Various Improvements	<u>1,750,000</u>	4.25%
		\$ <u>9,767,500</u>	

<u>Ordinance Number</u>	<u>Water-Sewer Utility Capital Fund</u>	<u>Amount</u>	<u>Interest Rate</u>
18-08	Various Improvements to the Water-Sewer System	\$ 719,510	4.25%
19-11	Various Improvements to the Water-Sewer System	93,065	4.25%
		50,000	4.25%
20-11	Various Improvements to the Water-Sewer System	125,000	4.25%
21-07	Various Improvements to the Water-Sewer System	2,387,425	4.25%
		143,000	4.25%
22-15	Various Improvements to the Water-Sewer System	<u>1,362,000</u>	4.25%
		\$ <u>4,880,000</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>2022</u>	<u>2021</u>
General Capital Fund	\$ 12,807,863	\$ 23,760,602
Water-Sewer Utility Capital Fund	5,348,440	5,720,440

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 7. DEBT (CONTINUED)**

**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, 2022 was .788%. The Township's remaining borrowing power is 2.712%.

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 2022 and 2021 the following changes occurred in the issued and outstanding debt of the Township:

	<u>Balance</u> <u>Jan. 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Due within</u> <u>One Year</u>
General Capital Fund:					
Serial Bonds	\$ 32,763,000	\$ 22,570,000	\$ 3,983,000	\$ 51,350,000	\$ 5,435,000
Bond Anticipation Notes	12,540,000	6,275,000	9,047,500	9,767,500	9,767,500
Green Trust Loans	355,531		75,756	279,775	77,279
Water-Sewer Utility Capital Fund:					
Serial Bonds	7,260,000	5,415,000	1,125,000	11,550,000	1,380,000
Bond Anticipation Notes	8,675,000	1,555,000	5,350,000	4,880,000	4,880,000
	<u>\$ 61,593,531</u>	<u>\$ 35,815,000</u>	<u>\$ 19,581,256</u>	<u>\$ 77,827,275</u>	<u>\$ 21,539,779</u>

	<u>Balance</u> <u>Jan. 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Due within</u> <u>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	3,500,000	6,805,000	1,630,000	8,675,000	8,675,000
	<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 - COUNTYH OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**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>2022</u>	<u>2021</u>
Prepaid Taxes	\$ 1,139,290	\$ 952,398
Prepaid Water-Sewer Utility Charges	27,583	41,059

**NOTE 9. 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 \$899,033 and \$929,422 at December 31, 2022 and 2021, 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, 2022 the Township had \$357,870 reserved for accrued sick pay benefits in the Trust Other Fund.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 10. FUND BALANCES**

The fund balances at December 31, 2022 which have been appropriated and included as anticipated revenue in the introduced budget for the year ending December 31, 2023 of the succeeding year is as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	\$ 8,641,877	\$ 7,746,802
Water-Sewer Utility Fund	3,785,232	3,176,605

**NOTE 11. 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.

**NOTE 12. 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, 2022, the Township estimates that no material liabilities will result from such audits.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 12. CONTINGENT LIABILITIES (CONTINUED)**

**Tax Appeals**

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

**Major Tax Assessments**

Taxpayers in 2022 with assessments in excess of 1% of the total assessed valuation were as follows:

<b><u>Owner</u></b>	<b><u>Value</u></b>	<b><u>Value</u></b>
Freemall Associates	\$ 250,000,000	3.35%
Eagle Rock	77,218,500	1.03%

**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.

**NOTE 13. GROUND LEASE**

In 2005 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, 2022 and 2021 is \$340,885 and \$337,899, respectively.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 14. 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>		
2022	\$ 894	\$ 130,000	\$ 18,492	\$ 32,804	\$ 279,880
2021	315		55,376	26,382	166,299
2020		51,000	43,728	59,609	133,990

**NOTE 15. 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.

**NOTE 16. 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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

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 1<sup>st</sup>, 2010 are not eligible for retirement coverage. Blue Collar union employees hired after January 1<sup>st</sup>, 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, 2022, the following employees were covered by the Township plan:

<u>Participant Data</u>	<u>Amount</u>
Active Employees	138
Retired Employees:	
Retirees	137
Beneficiaries	0
Spouses	<u>92</u>
Total	<u>229</u>

**Actuarial Assumptions and Other Inputs** - This valuation has been conducted as of December 31, 2022 based on census, plan design and premium information provided by the Township. Census includes 229 retired participants (including spouses and beneficiaries) and 138 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, 2022 of \$129,681,636 is measured at December 31, 2021 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, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

<b>Actuarial Cost Method</b>	Individual Entry Age Normal as a level percentage of pay
<b>Discount Rate</b>	Based on Government Obligation Index published by Bond Buyer 2.06% as December 31, 2022
<b>Inflation Rate</b>	2.30%
<b>Salary Increases</b>	Sample rates for employees who are covered under the New Jersey Police and Firemen's Retirement System ("NJFRS"):

<b>Age</b>	<b>FY 2016-2026</b>	<b>FY2026+</b>
25	8.89%	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 ("NJPRS"):

<b>Age</b>	<b>FY 2016-2026</b>	<b>FY2026+</b>
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, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

**Health Care Cost Trend** Trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums, and reflects current provisions of the Affordable Care Act of 2020 (ACA) which impose an excise tax for the first time in 2022 for medical coverage which exceeds certain premium thresholds.

<u>Year</u>	<u>Trend for Costs Prior to Age 65</u>	<u>Trend for Costs After Age 65</u>
2023	6.40%	6.30%
2024	6.80%	6.70%
2025	6.20%	6.20%
2026	5.60%	5.60%
2027	5.00%	5.00%
2028	4.80%	4.80%
2029	4.60%	4.60%
2030	4.40%	4.40%
2031	4.20%	4.20%
2032	4.10%	4.10%
2033	4.10%	4.10%
2034	4.10%	4.10%
2035	4.10%	4.10%
2036	4.10%	4.10%
2037	4.10%	4.10%
2038	4.10%	4.10%
2039	4.10%	4.10%
2040	4.10%	4.10%
2041	4.10%	4.10%
2042	4.10%	4.10%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

	<b>Medical Claims</b>			
	<b>Retirees</b>		<b>Spouses</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
50	28,437	35,903	32,662	37,477
55	32,351	34,742	36,524	39,986
60	37,205	37,377	41,434	42,849
64	44,443	41,198	47,778	46,157
65	11,561	10,100	11,561	10,100
70	13,013	11,285	13,013	11,285
75	14,528	12,170	14,528	12,170

**2022 Annual Premiums - Medical**

<b>Coverage</b>	<b>Younger than 65</b>	<b>Older than 65</b>
Single	\$12,059	\$8,063
2 Adults	\$25,359	\$16,920
Family	\$34,234	\$26,408
Parent & Child	\$18,938	\$15,260

**2022 Annual Premiums - Prescription**

<b>Coverage</b>	
Single	\$710
2 Adults	\$1,273
Family	\$1,719
Parent & Child	\$932

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

**Rates of Mortality** Pub-2010 General Employees/Retirees 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”):

<b>Age</b>	<b>Years of Service</b>		
	<b>2</b>	<b>4</b>	<b>10+</b>
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”):

<b>Age</b>	<b>Years of Service</b>		
	<b>&lt;1</b>	<b>2</b>	<b>3+</b>
30	14.67%	11.10%	6.11%
35	11.74%	8.28%	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, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

Rates of Retirement	NJPFRS		NJPERS	
	Age	<25 YOS	25+ YOS	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, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

<b>Spouse Assumption</b>	Marital status is assumed not to change prior to or after retirement. 45% of active participants retiring after the valuation date are assumed to be married and elect coverage for their spouse.
<b>Retiree Participation</b>	80% of eligible retirees are assumed to elect to participate in the plan
<b>Funding Policy</b>	Pay as you go basis
<b>Investment Rate of Return</b>	Not applicable
<b>Asset Valuation Method</b>	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, 2022, the discount rate utilized was 2.06%.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 16. 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, 2022 were as follows:

Balance, January 1, 2021	\$ <u>106,240,626</u>
Changes for the Year	
Service Cost	2,183,286
Interest Cost	2,247,325
Economic/demographic losses	22,761,063
Changes of Assumptions	1,110,907
Benefits Paid (implicit)	<u>(4,861,571)</u>
Net Changes	<u>23,441,010</u>
Balance, December 31, 2022	\$ <u>129,681,636</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 (1.06 percent) or 1-percentage pointer higher (3.06 percent) that the current discount rate:

	<u>At 1% Decrease (1.06%)</u>	<u>At Discount Rate (2.06%)</u>	<u>At 1% Increase (3.06%)</u>
Total OPEB Liability	\$ 150,655,378	\$ 129,681,636	\$ 112,956,609

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	\$ 113,078,962	\$ 129,681,636	\$ 150,529,697

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 16. 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, 2022, the Township's OPEB expense was estimated to be \$11,660,545. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -0-	\$ 39,241,460
Changes of Assumptions	<u>9,726,158</u>	<u>12,827,473</u>
	<u>\$ 9,726,158</u>	<u>\$ 52,068,933</u>

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

2023	\$ 7,229,934
2024	7,229,934
2025	7,004,778
2026	7,146,001
2027	7,690,461
Thereafter	<u>6,041,667</u>
	<u>\$ 42,342,775</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Other Supplementary Information**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Service Cost	\$ 2,183,286	\$ 2,004,797	\$ 2,401,504
Interest Cost	2,247,325	2,391,949	2,854,662
Economic/demographic losses	22,761,063	27,178,330	81,599
Changes of Assumptions	1,110,907	(8,679,194)	15,843,548
Benefits Paid (implicit)	(4,861,571)	(3,869,583)	(2,359,031)
Net Change in Total OPEB Liability	<u>23,441,010</u>	<u>19,026,299</u>	<u>18,822,282</u>
Total OPEB Liability, Beginning	\$ 106,240,626	\$ 87,214,327	\$ 68,392,045
Total OPEB Liability, Ending	\$ 129,681,636	\$ 106,240,626	\$ 87,214,327
Covered Payroll	\$ 15,606,899	\$ 15,327,541	\$ 15,835,032
Total OPEB Liability as a % of Covered Payroll	830.93%	693.14%	550.77%

**Schedule of Funding Progress**

Year Ended	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability	\$ 129,681,636	\$ 106,240,626	\$ 87,214,327
Fiduciary Net Position	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net OPEB Liability	<u>\$ 87,214,327</u>	<u>\$ 87,214,327</u>	<u>\$ 87,214,327</u>
Funded Ratio	-0-	-0-	-0-
Covered Payroll	\$ 15,606,899	\$ 15,327,541	\$ 15,835,032
Net OPEB Liability as a Percentage of Covered Payroll	830.93%	693.14%	550.77%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. 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 Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.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:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 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 fiscal year 2022 the State's pension contribution was more than the actuarial determined amount. For fiscal year 2021 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, 2013 and will be adjusted by the rate of return on the actuarial value of assts. Township contributions to PERS amounted to \$1,220,113 for 2022.

**Net Pension Liability and Pension Expense** - At December 31, 2021, the Township's proportionate share of the PERS net pension liability is valued to be \$15,478,795. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The Township's proportion measured as of June 30, 2022, was .10257%, which was a decrease of .00161% from its proportion measured as of June 30, 2021.

**Collective Balances at December 31, 2022 and December 31, 2021**

	<b><u>Dec. 31, 2022</u></b>	<b><u>Dec. 31, 2021</u></b>
Actuarial Valuation Date (including roll forward)	July 1, 2022	July 1, 2021
Deferred Outflows of Resources	\$ 1,318,591	\$ 1,098,421
Deferred Inflows of Resources	2,721,682	7,911,596
Net Pension Liability	15,478,795	12,342,129
Township's Portion of the Plan's Total Net Pension Liability	0.10257%	0.10418%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2022 measurement date was a net credit of \$819,569. This credit 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 \$1,220,113 to the plan in 2022.

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 111,719	\$ 98,520
Changes of assumptions	47,958	2,317,788
Net difference between projected and actual earnings on pension plan investments	640,653	
Changes in proportion	<u>518,261</u>	<u>305,374</u>
	\$ <u>1,318,591</u>	\$ <u>2,721,682</u>

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

<b><u>Year Ending December 31</u></b>	<b><u>PERS</u></b>
2023	\$ (1,285,178)
2024	(633,869)
2025	(287,313)
2026	762,273
2027	<u>40,996</u>
	\$ <u>(1,403,091)</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. 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, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	5.04
Differences between Projected and Actual Investment		
Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. 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, 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
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

**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:

	<b><u>PERS</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. 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-2020.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. 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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

**Long-Term Expected Rate of Return (Continued)**

	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. 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:

	<b><u>Decrease</u></b> <b><u>(6.00%)</u></b>	<b><u>Discount</u></b> <b><u>(7.00%)</u></b>	<b><u>Increase</u></b> <b><u>(8.00%)</u></b>
Township's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 19,923,039	\$ 15,478,795	\$ 11,696,564

**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 Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://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:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
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, 2022**

**NOTE 17. 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 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. For fiscal year 2022 the State's pension contribution was more than the actuarial determined amount. For fiscal year 2021 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 assts. Township contributions to PFRS amounted to \$2,470,600 for 2022.

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

**Net Pension Liability and Pension Expense** - At December 31, 2022, the Township's proportionate share of the PFRS net pension liability is valued to be \$21,933,144. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The Township's proportion measured as of June 30, 2022, was .19162%, which was a decrease of .02036% from its proportion measured as of June 30, 2021.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

**Collective Balances at December 31, 2022 and December 31, 2021**

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Actuarial Valuation Date (including roll forward)	July 1, 2022	July 1, 2021
Deferred Outflows of Resources	\$ 3,870,566	\$ 1,539,348
Deferred Inflows of Resources	7,165,247	14,772,586
Net Pension Liability	21,933,144	15,494,246
Township's Portion of the Plan's Total Net Pension Liability	0.19162%	0.21198%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2022 measurement date was a net credit of \$1,005,925. This credit 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 \$2,470,600 to the plan in 2022.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 992,753	\$ 1,343,703
Changes of assumptions	60,110	2,760,950
Net difference between projected and actual earnings on pension plan investments	2,008,432	
Changes in proportion	809,271	3,060,594
	<u>\$ 3,870,566</u>	<u>\$ 7,165,247</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. 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>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ (1,547,272)		
2024	(1,151,321)		
2025	(1,118,098)		
2026	944,736		
2027	(436,821)		
Thereafter	<u>14,095</u>		
	<u>\$ (3,294,681)</u>		
Difference between Expected and Actual Experience			
Year of Pension Plan Deferral:			
June 30, 2017	5.59	-	
June 30, 2018	5.73	-	
June 30, 2019	-	5.92	
June 30, 2020	5.90	-	
June 30, 2021	-	6.17	
June 30, 2022	6.22	-	
Changes of Assumptions			
Year of Pension Plan Deferral:			
June 30, 2017	-		5.59
June 30, 2018	-		5.73
June 30, 2019	-		5.92
June 30, 2020	-		5.90
June 30, 2021	6.17		-
June 30, 2022	-		6.22

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between projected and actual investment earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
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
June 30, 2021	6.17	6.17
June 30, 2022	6.22	6.22

**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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

**Special Funding Situation (Continued)**

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$3,903,457 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022 was .19162%, which was a decrease of .02036% from its proportion measured as of June 30, 2021, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 21,933,144
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>3,903,457</u>
Total Net Pension Liability	\$ <u>25,836,601</u>

At December 31, 2022, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2022 measurement date was \$450,356.

**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:

	<b><u>PFRS</u></b>
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 - 16.25%
	Based on years of service
Investment Rate of Return	7.00%
Mortality Rate Table	PubS-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2018 - June 30, 2021

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

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

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

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

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

**Long-Term Expected Rate of Return (Continued)**

	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 17. 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:

	<b><u>Decrease (6.00%)</u></b>	<b><u>Discount (7.00%)</u></b>	<b><u>Increase (8.00%)</u></b>
Township’s Proportionate Share of the Net Pension Liability and the State’s Proportionate Share of the Net Pension Liability associated with the Township	\$ 31,547,151	\$ 21,933,144	\$ 13,929,438

**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.

**NOTE 18. LEASES**

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

Cell Tower - Crown Castle. The current lease term, which includes six sub-leases, expires March 29, 2030 with no available extensions. The subleases have escalations between 2.75% and 6.50%. Payments in 2022 totaled \$62,890.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 19. SUBSEQUENT EVENTS**

The Township has evaluated subsequent events occurring after the financial statement date through September 26, 2023, 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:

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TOWNSHIP OF FREEHOLD

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2022

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-4**

**SCHEDULE OF CASH AND INVESTMENTS**

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

Balance December 31, 2021:			
Cash and Cash Equivalents	\$	27,041,079.58	
Investments		<u>20,148,860.79</u>	
			\$ 47,189,940.37
Increased by Receipts:			
Taxes Receivable		151,119,880.72	
Revenue Accounts Receivable		13,735,485.57	
State of New Jersey (Ch. 20, P.L. 1971)		176,648.63	
Prepaid Taxes		1,139,290.33	
Tax Overpayments		39,765.98	
Interest and Costs on Taxes		267,386.65	
Prepaid Fees and Permits		22,955.00	
Interfunds:			
Other Funds		1,013,348.70	
Grant Fund		2,547,295.21	
Due to State for Fees Collected		125,407.00	
Prepaid Health Benefits		5,765.35	
Police Special Duty Service		688,412.17	
Reserve for Municipal Relief Fund		386,957.38	
Miscellaneous Revenue not Anticipated		1,887,058.10	
Petty Cash		<u>1,050.00</u>	
			<u>173,156,706.79</u>
			220,346,647.16
Decreased by Disbursements:			
Budget Appropriations		38,667,735.91	
Appropriation Reserves		2,293,648.02	
Tax Overpayments Refunded		43,961.27	
Due to State for Fees Collected		119,660.00	
Special District Tax		2,415,142.50	
Municipal Open Space Tax		2,273,067.98	
County Taxes		18,804,869.42	
Local School District Taxes		73,498,678.00	
Regional School District Taxes		29,659,407.00	
Interfunds:			
Other Funds		953,790.16	
Grant Fund		709,760.62	
Police Special Duty Service		505,777.50	
Petty Cash		<u>1,050.00</u>	
			<u>169,946,548.38</u>
Balance December 31, 2022:			
Cash and Cash Equivalents		30,317,251.78	
Investments		<u>20,082,847.00</u>	
			\$ <u>50,400,098.78</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, 2022**

Year	Balance		2022 Levy	Collected		Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2022
	Dec. 31, 2021			2021	2022				
2019	\$ 2,257.23		\$	\$		\$	\$	\$	2,257.23
2020	638.02			1,150,470.30	(4,000.00)			(4,730.19)	638.02
2021	1,141,992.27			1,150,470.30	(4,000.00)			(4,730.19)	252.16
	1,144,887.52		152,146,941.70	952,398.24	177,648.63		7,949.17	66,452.84	3,147.41
2022									973,082.40
	\$ 1,144,887.52		\$ 152,146,941.70	\$ 952,398.24	\$ 173,648.63		\$ 7,949.17	\$ 61,722.65	\$ 976,229.81
Levy			\$ 152,120,474.90						
Delinquent Penalty			26,466.80						
			\$ 152,146,941.70						

**Analysis of 2022 Property Tax Levy**

Tax Yield:		
General Purpose Tax	\$ 148,229,127.13	
Special District Taxes	2,544,059.78	
Added and Omitted Taxes	1,347,287.99	
	<u>\$ 152,120,474.90</u>	

**Tax Levy:**

Regional School Tax (Abstract)		
Local School District Tax (Abstract)	\$ 29,239,249.00	
County Tax (Abstract)	74,266,573.00	
County Library Tax (Abstract)		\$ 15,546,992.80
County Open Space Tax (Abstract)		1,168,480.40
Due County for Added and Omitted Taxes		2,014,811.09
Total County Taxes		<u>173,721.76</u>
Special District Taxes		18,904,006.05
Local Open Space Tax (Abstract)		2,482,614.00
Local Open Space Tax - Added and Omitted Taxes		2,253,558.30
Local Tax for Municipal Purposes		19,509.68
Add: Additional Tax Levied		<u>24,954,964.87</u>
		<u>\$ 152,120,474.90</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-6**

**SCHEDULE OF TAX TITLE LIENS**

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

Balance December 31, 2021	\$ 301,587.77
Increased by:	
Transfers from Taxes Receivable	<u>7,949.17</u>
Balance December 31, 2022	<u><u>\$ 309,536.94</u></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, 2022

	<u>Balance Dec. 31, 2021</u>	<u>Accrued in 2022</u>	<u>Collected</u>	<u>Balance Dec. 31, 2022</u>
Licenses	\$			\$
Alcoholic Beverages		42,938.00	42,938.00	
Other		40,268.00	40,268.00	
Fees and Permits		260,448.25	260,448.25	
Uniform Construction Code Fees		1,841,366.00	1,841,366.00	
Municipal Court				
Fines and Costs	88,538.57	905,908.25	909,169.43	85,277.39
State Aid				
Energy Receipts Tax		7,418,109.00	7,418,109.00	
Garden State Trust		18,206.00	18,206.00	
Other				
American Recovery Program - Revenue Loss		1,100,000.00	1,100,000.00	
Cable Television Franchise Fees - Cablevision		286,402.00	286,402.00	
Fund Balance - General Capital Fund		225,319.26	225,319.26	
Hospital Property Tax Exemption		287,043.30	287,043.30	
Hotel/Motel Tax		156,412.97	156,412.97	
Interest on Investments and Deposits		272,813.60	272,813.60	
Shared Services Agreements:				
Automotive Services		52,344.98	52,344.98	
Board of Health		611,899.00	611,899.00	
Diesel Fuel		276,192.60	276,192.60	
Information Technology		312,663.81	312,663.81	
Licensed Operator		86,229.51	86,229.51	

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, 2022

	<u>Balance Dec. 31, 2021</u>	<u>Accrued in 2022</u>	<u>Collected</u>	<u>Balance Dec. 31, 2022</u>
Other (Continued)				
Shared Services Agreements (Continued):				
Police Services - School Security	\$	\$ 155,958.38	\$ 155,958.38	\$
Western Monmouth Active Shooter		7,112.00	7,112.00	
Payments in Lieu of Taxes		126,143.88	126,143.88	
Reserve for Municipal Alliance		8,150.00	8,150.00	
Uniform Fire Safety Act		116,397.84	116,397.84	
Verizon Franchise Fees		246,353.76	246,353.76	
	<u>\$ 88,538.57</u>	<u>\$ 14,854,680.39</u>	<u>\$ 14,857,941.57</u>	<u>\$ 85,277.39</u>
Receipts				
Interfund - Other Trust Fund			\$ 13,735,485.57	
Prepaid Applied			8,150.00	
Transfer from Unappropriated Grant Reserves			14,306.00	
			<u>1,100,000.00</u>	
			<u>\$ 14,857,941.57</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, 2022**

	<u>Balance Dec. 31, 2021</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b><u>APPROPRIATIONS WITHIN CAPS</u></b>					
Administrative and Executive					
Salaries and Wages	\$ 11,198.32	\$	\$ 11,198.32		\$ 11,198.32
Other Expenses	7,115.15	2,554.85	9,670.00	2,554.85	7,115.15
Public Information Office					
Salaries and Wages	22,322.93		22,322.93		22,322.93
Other Expenses	6,450.00		6,450.00	24.30	6,425.70
Purchasing Department					
Salaries and Wages	2,710.24		2,710.24		2,710.24
Other Expenses	14,869.82	4,148.02	19,017.84	4,138.06	14,879.78
Human Resources					
Salaries and Wages	11,339.35		11,339.35		11,339.35
Other Expenses	6,277.11		6,277.11		6,277.11
Mayor and Township Committee					
Salaries and Wages	109.14		109.14		109.14
Other Expenses	9,479.78	68.00	9,547.78	420.56	9,127.22
Municipal Clerk					
Salaries and Wages	1,982.75		1,982.75		1,982.75
Other Expenses	27,041.66	1,685.77	28,727.43	1,734.89	26,992.54
Elections					
Salaries and Wages	1,000.00		1,000.00		1,000.00
Other Expenses	368.17	1,600.00	1,968.17	1,600.00	368.17
Financial Administration					
Salaries and Wages	1,414.57		1,414.57		1,414.57
Other Expenses	1,803.42	3,273.73	5,077.15	3,901.24	1,175.91
Information Technology					
Salaries and Wages	839.95		839.95		839.95
Other Expenses	3,901.85	44,512.87	48,414.72	47,143.32	1,271.40

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, 2022

	<u>Balance Dec. 31, 2021</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Revenue Administration (Collection of Taxes)	\$	\$	\$	\$	\$
Salaries and Wages	482.90		482.90		482.90
Other Expenses	12,755.54	260.93	13,016.47	336.63	12,679.84
Assessment of Taxes					
Salaries and Wages	559.12		559.12		559.12
Other Expenses	56,848.73	2,472.80	59,321.53	2,740.76	56,580.77
Cost of Tax Appeals	150,000.00		150,000.00		150,000.00
Legal Services and Costs					
Other Expenses	71,617.89		71,617.89	30,925.99	40,691.90
Affordable Housing Services and Costs					
Other Expenses	29,312.69	4,250.00	33,562.69	33,562.69	
Engineering Services and Costs					
Salaries and Wages	123,090.89		123,090.89	(11,410.10)	134,500.99
Other Expenses	9,664.09	3,780.30	13,444.39	4,014.61	9,429.78
Historical Preservation					
Other Expenses	5,366.21		5,366.21		5,366.21
Municipal Land Use Law Planning Board					
Salaries and Wages	4,442.85		4,442.85		4,442.85
Other Expenses	49,217.65	232.70	49,450.35	1,567.45	47,882.90
Insurance					
Other Insurance	4,422.78		4,422.78		4,422.78
Workmen's Compensation	249.85		249.85		249.85
Group Insurance for Employees	1,171,168.87	1,949.29	1,173,118.16	1,161,806.84	11,311.32
Health Benefit Waiver	26,962.50		26,962.50		26,962.50
Code Enforcement					
Salaries and Wages	49,300.88		49,300.88		49,300.88
Other Expenses	256.50		256.50		256.50

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit A-8

Sheet 3 of 6

	<u>Balance</u> <u>Dec. 31, 2021</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>
Police					
Salaries and Wages	\$ 938,117.82	\$	\$ 938,117.82	\$ 189,162.01	\$ 748,955.81
Salaries and Wages - School Security Detail	44,740.80		44,740.80		44,740.80
Other Expenses	121,073.81	269,504.75	390,578.56	259,531.83	131,046.73
Office of Emergency Management					
Salaries and Wages	559.15		559.15		559.15
Other Expenses	500.00		500.00		500.00
Bureau of Fire Protection					
Salaries and Wages	7,158.32		7,158.32	(1,298.33)	8,456.65
Other Expenses	3,293.00		3,293.00	6.00	3,287.00
Uniform Fire Safety Act					
Salaries and Wages	5,773.50		5,773.50		5,773.50
Other Expenses	5,500.00		5,500.00		5,500.00
Municipal Prosecutor					
Other Expenses	232.96	6,013.92	6,246.88	6,013.92	232.96
Road Repair and Maintenance					
Salaries and Wages	156,709.86		156,709.86		156,709.86
Other Expenses	72,733.92	77,799.37	150,533.29	26,699.25	123,834.04
Snow Removal					
Salaries and Wages	44,465.08		44,465.08		44,465.08
Other Expenses	1,083.31	118,651.65	119,734.96	119,053.24	681.72
Shade Tree Commission					
Salaries and Wages	19,403.03		19,403.03		19,403.03
Other Expenses	3,032.21	4,479.39	7,511.60	3,584.84	3,926.76
Recycling					
Salaries and Wages	84,530.76		84,530.76		84,530.76
Other Expenses	100,922.51	65,663.75	166,586.26	52,110.50	114,475.76
Public Building and Grounds					
Salaries and Wages	26,071.77		26,071.77		26,071.77
Other Expenses	5,014.87	32,615.35	37,630.22	36,402.24	1,227.98

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, 2022

	<u>Balance Dec. 31, 2021</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Equipment Maintenance and Repair	\$ 34,476.96	\$	\$ 34,476.96	\$	\$ 34,476.96
Salaries and Wages	64,481.78	103,538.00	168,019.78	25,429.73	142,590.05
Other Expenses					
Condominium Services Act					
Other Expenses	13,667.46		13,667.46		13,667.46
Board of Health					
Salaries and Wages	83,533.75		83,533.75		83,533.75
Other Expenses	6,684.29	35,296.41	41,980.70	29,955.93	12,024.77
Animal Control					
Other Expenses	8.00		8.00		8.00
Environmental Commission					
Other Expenses	347.90		347.90		347.90
Board of Recreation Commissioners					
Salaries and Wages	21,245.43		21,245.43		21,245.43
Other Expenses	592.78	8,289.93	8,882.71	5,488.21	3,394.50
Senior Center					
Salaries and Wages	18,103.44		18,103.44		18,103.44
Other Expenses	1,885.66	9,751.96	11,637.62	9,778.82	1,858.80
Municipal Court					
Salaries and Wages	8,587.51		8,587.51		8,587.51
Other Expenses	6,042.25	790.26	6,832.51	1,197.30	5,635.21
State Uniform Construction Code Official					
Salaries and Wages	1,120.19		1,120.19		1,120.19
Other Expenses	3,453.98	36.50	3,490.48	69.01	3,421.47

**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, 2022**

	Balance Dec. 31, 2021	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Utilities:					
Electricity	\$ 84,383.74	\$ 2,269.40	\$ 86,653.14	\$ 29,646.97	\$ 57,006.17
Street Lighting	61,729.99		61,729.99	21,276.26	40,453.73
Telephone	1,068.54	3,361.56	4,430.10	4,258.03	172.07
Water and Sewer	32,723.43		32,723.43	253.22	32,470.21
Natural Gas	8,502.63		8,502.63	7,562.25	940.38
Gasoline	62,202.95	104,975.05	167,178.00	114,399.41	52,778.59
Contingent	1.00		1.00		1.00
Contribution to:					
Public Employees Retirement System	14,289.01		14,289.01	(9,372.78)	23,661.79
Social Security System	45,669.36		45,669.36	8,019.26	37,650.10
Unemployment Compensation Insurance	65,000.00		65,000.00	65,000.00	
Defined Contribution Retirement Program	3,325.74		3,325.74	146.80	3,178.94
Total Appropriations within Caps	<u>4,179,988.60</u>	<u>913,826.51</u>	<u>5,093,815.11</u>	<u>2,289,436.01</u>	<u>2,804,379.10</u>

**APPROPRIATIONS OUTSIDE CAPS**

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	11.13		11.13		11.13
Other Expenses	20,097.50	135.00	20,232.50	2,634.50	17,598.00
Board of Health - VNA Health Group					
Salaries and Wages	2,018.97		2,018.97		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

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, 2022

	<u>Balance Dec. 31, 2021</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	\$ 1,795.28	\$	\$ 1,795.28		\$ 1,795.28
Salaries and Wages					
Equipment Maintenance	9,617.93		9,617.93		9,617.93
Other Expenses					
Police - Security Detail					
Salaries and Wages	45,741.70		45,741.70		45,741.70
Western Monmouth Active Shooter					
Other Expenses	6,484.09		6,484.09		6,484.09
Construction Code - Borough of Freehold					
Other Expenses	<u>15,618.00</u>		<u>15,618.00</u>	<u>14,794.00</u>	<u>824.00</u>
Total Appropriations outside Caps	<u>132,844.60</u>	<u>135.00</u>	<u>132,979.60</u>	<u>17,428.50</u>	<u>115,551.10</u>
Total General Appropriations	<u>\$ 4,312,833.20</u>	<u>\$ 913,961.51</u>	<u>\$ 5,226,794.71</u>	<u>\$ 2,306,864.51</u>	<u>\$ 2,919,930.20</u>
Disbursed				\$ 2,293,648.02	
Accounts Payable				<u>13,216.49</u>	
				<u>\$ 2,306,864.51</u>	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-9**

**SCHEDULE OF COUNTY TAXES PAYABLE**

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

Balance December 31, 2021		\$	74,585.13
2022 Tax Levy:			
County Tax	\$	15,546,992.80	
County Library Tax		1,168,480.40	
County Open Space Tax		2,014,811.09	
County Share of Added and Omitted Taxes		<u>173,721.76</u>	
			<u>18,904,006.05</u>
			<u>18,978,591.18</u>
Decreased by:			
Disbursements			<u>18,804,869.42</u>
Balance December 31, 2022		\$	<u><u>173,721.76</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, 2022**

Balance December 31, 2021:		
School Tax Payable	\$ 11,118,688.02	
School Tax Deferred	<u>25,566,589.00</u>	
		\$ 36,685,277.02
Increased by:		
Levy - School Year July 1, 2022 to June 30, 2023		<u>74,266,573.00</u>
		<u>110,951,850.02</u>
Decreased by:		
Disbursements		<u>73,498,678.00</u>
Balance December 31, 2022:		
School Tax Payable	11,886,583.02	
School Tax Deferred	<u>25,566,589.00</u>	
		\$ <u><u>37,453,172.02</u></u>
2022 Liability for Local District School Tax:		
Tax Paid		\$ 73,498,678.00
Tax Payable December 31, 2022		<u>11,886,583.02</u>
		<u>85,385,261.02</u>
Less: Tax Payable December 31, 2021		<u>11,118,688.02</u>
Amount Charged to 2022 Operations		\$ <u><u>74,266,573.00</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, 2022**

Balance December 31, 2021:	
School Tax Payable	\$ 14,577,794.40
Increased by:	
Levy - School Year July 1 2022 to June 30, 2023	29,239,249.00
	<u>43,817,043.40</u>
Decreased by:	
Disbursements	<u>29,659,407.00</u>
Balance December 31, 2022:	
School Tax Payable	\$ <u>14,157,636.40</u>
2022 Liability for Local District School Tax:	
Tax Paid	\$ 29,659,407.00
Tax Payable December 31, 2022	14,157,636.40
	<u>43,817,043.40</u>
Less: Tax Payable December 31, 2021	<u>14,577,794.40</u>
Amount Charged to 2022 Operations	\$ <u>29,239,249.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-12

**SCHEDULE OF INTERFUNDS**

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

	<u>Total</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>General Capital Fund</u>	<u>Utility Operating Fund</u>	<u>Payroll Fund</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>
Increased by:						
Disbursements	953,790.16		851,290.16	102,500.00		
Revenue Accounts Receivable	8,150.00		8,150.00			
Total Increases	<u>961,940.16</u>		<u>859,440.16</u>	<u>102,500.00</u>		
Total Increases and Balances	<u>1,523,597.49</u>	<u>28,871.97</u>	<u>1,136,999.79</u>	<u>102,500.00</u>	1,777.88	<u>253,447.85</u>
Decreased by:						
Receipts	<u>1,013,348.70</u>	<u>28,871.97</u>	<u>729,251.00</u>		<u>1,777.88</u>	<u>253,447.85</u>
Balance December 31, 2022 - Due From/(To)	\$ <u>510,248.79</u>	\$	\$ <u>407,748.79</u>	\$ <u>102,500.00</u>	\$	\$

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GRANT FUND**

**Exhibit A-13**

**SCHEDULE OF INTERFUND**

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

Balance December 31, 2021 - Due To			\$ 2,126,038.76
Increased by:			
Deposited in Current Fund:			
Grants Receivable	\$ 601,936.25		
Unappropriated Reserves	<u>1,945,358.96</u>		
		\$ 2,547,295.21	
Cancelled Grants Receivable		1,070,006.38	
2022 Budget Appropriations		<u>1,633,643.91</u>	
			<u>5,250,945.50</u>
			<u>7,376,984.26</u>
Decreased by:			
Cancelled Unappropriated Reserve			
Cancelled Appropriated Reserves		1,072,012.03	
Cancelled Accounts Payable			
2022 Anticipated Revenue		1,625,493.91	
Transfer Unappropriated to Current Fund		1,100,000.00	
Disbursed in Current Fund		<u>709,760.62</u>	
			<u>4,507,266.56</u>
Balance December 31, 2022 - Due To			\$ <u>2,869,717.70</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GRANT FUND**

Exhibit A-14

**SCHEDULE OF GRANTS RECEIVABLE**

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

<u>Grant</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Anticipated Revenue</u>	<u>Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>
State Grants:					
Alcohol Education and Rehabilitation	\$	5,843.50	\$ 5,843.50	\$	\$
Alliance to Prevent Alcoholism and Drug Abuse	26,300.00	32,600.00	28,286.25		30,613.75
Body Armor Fund		3,187.17	3,187.17		
Body Worn Cameras	161,002.00				161,002.00
Childhood Lead Exposure	9,707.97	54,335.00	25,250.00		38,792.97
Clean Communities Program		82,159.03	82,159.03		
DHMAS Youth Leadership Grant		11,106.16			11,106.16
Safe and Secure Communities Program		32,400.00	32,400.00		
Safe Corridors		35,909.00			35,909.00
Federal Grants:					
Bulletproof Vests	2,395.13	4,427.50	4,403.30	(2,008.17)	4,427.50
Click It or Ticket		7,000.00	7,000.00		
COVID-19 Grant - Supplemental Funding			50,000.00		
Distracted Driving		10,500.00	10,500.00		
Drive Sober or Get Pulled Over		7,000.00	5,950.00	1,050.00	
Hazard Mitigation Grant		1,064,291.55		1,064,291.55	
Strengthen Public Health:					
July 2021 to June 2022	291,042.00		284,369.00	6,673.00	212,147.00
July 2020 to June 2023		274,735.00	62,588.00		
	<u>\$ 540,447.10</u>	<u>\$ 1,625,493.91</u>	<u>\$ 601,936.25</u>	<u>\$ 1,070,006.38</u>	<u>\$ 493,998.38</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GRANT FUND

Exhibit A-15

SCHEDULE OF APPROPRIATED RESERVES

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Transferred</u> <u>from</u> <u>2022 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
	\$	\$	\$	\$	\$	\$
State Grants:						
Alcohol Education and Rehabilitation						
2012 Grant Award	161.89		5,843.50			161.89
2022 Grant Award						5,843.50
Alliance to Prevent Alcoholism and Drug Abuse						
2021-22 Grant Award	14,859.10	5,130.24	40,750.00	19,989.34		20,127.46
2022-23 Grant Award				20,622.54		
Body Armor Replacement						
2021 Grant Award		3,021.57		3,021.57		
2022 Grant Award			3,187.17	3,187.17		
Body Worn Camera Grant						
2021 Grant Award	81,236.00			63,072.00		18,164.00
Childhood Lead Exposure						
2019-20 Grant Award	7,495.55	634.00				7,495.55
2020-21 Grant Award				25,250.00		634.00
2021-22 Grant Award				14,572.45		
2022-23 Grant Award						14,512.55
Clean Communities Program						
2018 Grant Award	12.51					12.51
2019 Grant Award	12,818.19			12,818.19		
2020 Grant Award	21,085.63	1,500.00		22,585.63		
2021 Grant Award	41,118.80	19,500.00		37,535.28		
2022 Grant Award			82,159.03	55,810.24		23,083.52
DHMAS Youth Leadership Grant						
2022 Grant Award			11,106.16	276.96		10,829.20
Drunk Driving Enforcement Fund						
2019 Grant Award	4,040.67	775.91		775.91		4,040.67
2020 Grant Award	7,598.31	369.09		947.36		7,020.04
2021 Grant Award	5,367.67					5,367.67
Local Public Health Grant						
2021 Grant Award		25,426.75		25,426.75		
Recycling Tonnage Grant						
2016 Grant Award	28.89					28.89
2017 Grant Award	25,504.17	7,500.00		25,923.02		7,081.15
2018 Grant Award	99,058.98			4,543.87		94,515.11
2019 Grant Award	89,779.35	450.00		5,500.00		84,729.35
2020 Grant Award	81,653.22	414.95		2,016.92		80,051.25
2021 Grant Award	90,730.37					90,730.37

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GRANT FUND

Exhibit A-15

Sheet 2 of 2

SCHEDULE OF APPROPRIATED RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Grant</u>	<u>Balance</u>	<u>Reserve for</u>	<u>Transferred</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u>
(Continued):	<u>Dec. 31, 2021</u>	<u>Encumbrances</u>	<u>from</u>	<u></u>	<u></u>	<u>Dec. 31, 2022</u>
	\$	\$	<u>2022 Budget</u>	\$	\$	\$
			<u>Appropriations</u>			
Safe and Secure Communities Program						
2021 Grant Award	16.97	\$	32,400.00	\$ 16.97	\$	\$
2022 Grant Award				29,863.16		2,536.84
Safe Corridors Grant						
2022 Grant Award			35,909.00	35,909.00		
Federal Grants:						
Bulletproof Vests						
2022 Grant Award			4,427.50	4,427.50		
Click It or Ticket						
2022 Grant Award			7,000.00	7,000.00		
COVID-19 Grant - Supplemental Funding						
2021 Grant Award	24,614.26	12,819.40		37,433.66		
Distracted Driving						
2022 Grant Award			10,500.00	10,500.00		
Drive Sober or Get Pulled Over						
2022 Grant Award			7,000.00	5,950.00	1,050.00	
Hazard Mitigation Grant						
2022 Grant Award			1,064,291.55		1,064,291.55	
Strengthen Public Health						
July 2021 to June 2022	158,962.43	10,778.98		163,070.93	6,670.48	
July 2020 to June 2023			274,735.00	124,593.74		150,141.26
	<u>\$ 766,142.96</u>	<u>\$ 88,320.89</u>	<u>\$ 1,633,643.91</u>	<u>\$ 762,640.16</u>	<u>\$ 1,072,012.03</u>	<u>\$ 653,455.57</u>
Interfund - Current Fund						
Reserve for Encumbrances				709,760.62		
				<u>52,879.54</u>		
				\$ 762,640.16		

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
	\$ 74,167.63	\$ 14,603,106.11
Balance December 31, 2021		
Increased by Receipts:		
Due to State of New Jersey	2,593.20	
Licenses and Other Fees	18,856.38	10,348,484.09
Interfunds		104,456.28
Grant Receivable		12,287,987.38
Miscellaneous Reserves		
	<u>21,449.58</u>	<u>22,740,927.75</u>
	95,617.21	37,344,033.86
Decreased by Disbursements:		
Due State of New Jersey	2,610.00	
Animal Control Trust Fund Expenditures	13,739.60	
Interfunds	28,871.97	10,226,444.93
Miscellaneous Reserves		6,483,100.87
	<u>45,221.57</u>	<u>16,709,545.80</u>
Balance December 31, 2022	\$ <u>50,395.64</u>	\$ <u>20,634,488.06</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, 2022**

Balance December 31, 2021	\$ 16.80
Increased by:	
Fees Collected	<u>2,593.20</u>
	2,610.00
Decreased by:	
Payments to State of New Jersey	<u>\$ 2,610.00</u>

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**TRUST FUND EXPENDITURES**

**Exhibit B-3**

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

Balance December 31, 2021	\$ 45,278.86
Increased by:	
2022 License and Other Fees Collected	<u>18,856.38</u>
	64,135.24
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>13,739.60</u>
Balance December 31, 2022	<u>\$ 50,395.64</u>

**Dog License Fees Collected**

<u>Year</u>	<u>Amount</u>
2020	\$ <u>22,113.75</u>
2021	<u>31,307.81</u>
	<u>\$ 53,421.56</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, 2022**

Balance December 31, 2021 - Due To \$ 28,871.97

Decreased by:  
Disbursed \$ 28,871.97

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OTHER TRUST FUND**

**Exhibit B-5**

**Sheet 1 of 2**

**SCHEDULE OF RESERVES AND SPECIAL DEPOSITS**

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

<u>Reserves</u>	<u>Balance Dec. 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2022</u>
Accumulated Absences	\$ 21,244.02	\$ 553,021.10	\$ 195,150.62	\$ 357,870.48
Arboretum	1,043,626.70	5,100.00	843.75	25,500.27
Board of Recreation Commissioners	98,689.58	1,353,500.32	1,426,712.81	970,414.21
Construction Code Dedicated Penalties		318.50		99,008.08
Deposits for Redemption of Tax Sale Certificates		131,852.56	130,878.56	974.00
Escrow Deposits	2,629,231.25	1,261,216.51	1,086,070.95	2,804,376.81
Historical Preservation	886.46			886.46
Monument Bonds	4,750.00	1,000.00		5,750.00
Mount Laurel Housing Trust	1,316,584.05	368,559.23	26,866.50	1,658,276.78
Municipal Drug Alliance Fund	66,829.35	57,447.03	46,341.96	77,934.42
Open Space	2,809,819.94	4,901,601.78	2,030,547.62	5,680,874.10
Parking Offenses Adjudication Act	1,165.82	1,528.00		2,693.82
Police Special Duty	1,029,600.00	813,957.44	813,957.44	1,662,900.00
Premiums Received at Tax Sale	6,082.89	980,500.00	347,200.00	13,974.22
Public Defender	9,772.68	44,133.00	36,241.67	5,965.93
Public Safety Donation	402,919.26	2,100.00	5,906.75	402,919.26
Road Projects	2,645,273.67			4,188,724.36
Self Insurance	62,414.98	1,543,450.69		65,078.98
Shade Tree Donations	391,671.57	2,664.00		491,881.57
Shade Tree Escrow	12,284.55	100,210.00		40,810.26
Sick Leave Trust	182,963.69	75,000.00	46,474.29	189,146.93
Sidewalks and Curbs	38,366.48	33,660.00	27,476.76	44,550.72
Special Law Enforcement Fund	1,345,168.98	625.44	4,463.91	34,528.01
Storm Recovery	40,434.77	3,644.78	227,043.42	1,121,770.34
Street Opening Bonds	163,298.90	7,500.00	7,500.00	40,434.77
Unemployment Trust		149,385.88	32,804.33	279,880.45
Uniform Fire Safety Act Penalty Monies 2:12		511.12		511.12
Uniform Fire Safety Act Penalty Monies 2:12A	3,153.64	500.00		3,653.64
	<u>\$ 14,326,233.23</u>	<u>\$ 12,392,987.38</u>	<u>\$ 6,492,481.34</u>	<u>\$ 20,226,739.27</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OTHER TRUST FUND**

**Exhibit B-5**

**SCHEDULE OF RESERVES AND SPECIAL DEPOSITS**

**Sheet 2 of 2**

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

	<b><u>Increases</u></b>
Receipts	\$ 12,287,987.38
Grant Received	<u>105,000.00</u>
	<b><u>\$ 12,392,987.38</u></b>
	<b><u>Decreases</u></b>
Disbursements	\$ 6,483,100.87
Grant Receivable Cancelled	1,230.47
Interfund - Current Fund	<u>8,150.00</u>
	<b><u>\$ 6,492,481.34</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OTHER TRUST FUND**

**Exhibit B-6**

**SCHEDULE OF INTERFUND - CURRENT FUND**

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

Balance December 31, 2021 - Due To Current		\$ 277,559.63
Increased by:		
Receipts	\$ 10,348,484.09	
Miscellaneous Reserves	<u>8,150.00</u>	
		<u>10,356,634.09</u>
		10,634,193.72
Decreased by:		
Disbursements		<u>10,226,444.93</u>
Balance December 31, 2022 - Due To Current		\$ <u><u>407,748.79</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH - TREASURER**

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

Balance December 31, 2021		\$ 19,336,745.60
Increased by Receipts:		
Premium on Sale of Notes	\$ 65,163.80	
Premium on Sale of Bonds	871,413.76	
Interfund - Current Fund	216,250.92	
Serial Bonds	22,570,000.00	
Bond Anticipation Notes	6,275,000.00	
Grants Receivable	290,000.00	
Reserve for Debt Service	174,450.00	
Capital Improvement Fund:		
Budget Appropriations	400,000.00	
Transferred from Open Space Trust Fund	680,000.00	
		<u>31,542,278.48</u>
		50,879,024.08
Decreased by Disbursements:		
Capital Fund Balance to Current Fund	225,319.26	
Interfund - Current Fund	113,750.92	
Bond Anticipation Notes	9,000,000.00	
Improvement Authorizations	19,311,750.90	
		<u>28,650,821.08</u>
Balance December 31, 2022		\$ <u><u>22,228,203.00</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**ANALYSIS OF CASH**

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

Exhibit C-3

	Balance		Receipts		Disbursements		Transfers		Balance
	Dec. 31, 2021		Notes Issued	Serial Bonds	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 1,785,938.31		\$		\$	\$			\$ 2,497,196.61
Capital Improvement Fund	228,733.41						843,789.83		464,943.58
Down Payments on Improvements	95,737.00								95,737.00
Interfunds:									
Current Fund	(870,800.00)					113,750.92			102,500.00
Grant Receivable	789,522.21							1,300,542.67	(580,800.00)
Reserve for:	21,376.00								21,376.00
Encumbrances	287,937.81								462,387.81
Improvements	9,203.20								9,203.20
Debt Service									
Historical Preservation									
<b>Improvement Authorizations</b>									
07-14, 08-29	107,355.33								1,124.05
09-16	215,887.19				26,495.00				97.06
10-21	65,613.99								
11-20	407,775.69								
12-12	224,648.36				56,656.00				61,200.40
12-19	35,551.83								654.51
14-05	537,943.05								319.69
15-10	(3,829.54)		1,265,000.00		4,093.22				1,265,586.41
16-12	1,281.52		540,000.00		36,659.00				(6,011.79)
17-06	3,048.72				54,889.95				513,908.51
18-07	1,723,595.25				235,571.51				1,519,764.41
19-05	26,230.00								26,230.00
19-10	1,093,413.47				18,432.83				1,128,060.48
20-10	973,844.56		120,000.00		93,517.86				1,102,299.67
21-06	11,576,738.24		2,660,000.00	9,000,000.00	4,759,841.60	9,800,000.00			8,980,921.48
22-09				13,570,000.00	13,898,006.89		608.00		351,385.11
22-14			1,750,000.00		55,457.29				1,638,902.54
22-16					72,129.75				1,327,329.60
	\$ 19,336,745.60		\$ 6,275,000.00	\$ 22,570,000.00	\$ 19,311,750.90	\$ 9,339,070.18	\$ 4,530,858.14	\$ 4,530,858.14	\$ 22,228,203.00

**Ordinance Number**

**Improvement Description**

**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, 2022**

Balance December 31, 2021		\$ 33,118,530.74
Increased by:		
Serial Bonds Issued		<u>22,570,000.00</u>
		55,688,530.74
Decreased by:		
2022 Budget Appropriations:		
Principal on Serial Bonds	\$ 3,983,000.00	
Green Trust Loan	<u>75,756.18</u>	
		<u>4,058,756.18</u>
Balance December 31, 2022		<u>\$ 51,629,774.56</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, 2022**

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Serial Bonds Issued	Authorizations Cancelled	Budget Appropriations	Balance Dec. 31, 2022	Analysis of Balance Dec. 31, 2022		
								Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
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	441,000.00			441,000.00					
12-12	Various Improvements	1,026,555.00			1,026,555.00					
14-05	Various Improvements	2,740,662.70			1,290,660.70		1,450,002.00			1,450,002.00
15-10	Various Improvements	4,947,069.30			1,890,615.20		3,056,454.10			1,791,454.10
16-12	Various Improvements	1,527,900.00					1,527,900.00		6,011.79	1,521,888.21
17-06	Various Improvements	3,861,200.00					3,861,200.00			3,321,200.00
18-07	Various Improvements	934,000.00					934,000.00			934,000.00
19-10	Various Improvements	1,472,500.00				47,500.00	1,425,000.00			1,132,500.00
20-10	Various Improvements	2,673,800.00					2,673,800.00			1,353,800.00
21-06	Various Improvements	13,687,000.00		9,000,000.00			4,687,000.00			87,000.00
22-09	Acquisition of Open Space		13,570,000.00	13,570,000.00						
22-14	Various Improvements		2,960,006.74				2,960,006.74			1,210,006.74
		\$ 36,300,602.00	\$ 16,530,006.74	\$ 22,570,000.00	\$ 7,637,745.90	\$ 47,500.00	\$ 22,575,362.84	\$ 9,767,500.00	\$ 6,011.79	\$ 12,801,851.05

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

Ordinance Number	Improvement Description	Amount
15-10	Various Improvements	\$ 1,265,000.00
22-14	Various Improvements	513,908.51
19-10	Various Improvements	292,500.00
20-10	Various Improvements	1,102,299.67
21-06	Various Improvements	4,600,000.00
22-14	Various Improvements	1,638,902.54
		<u>9,412,610.72</u>
		\$ 22,214,461.77

\$ 12,801,851.05

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, 2022

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Issued	Decreases	Balance Dec. 31, 2022
			Outstanding Dec. 31, 2022	Amount					
Open Space Refunding Bonds	10/01/2012	\$ 630,000	10/1/2023-24	\$ 65,000	3.500%	\$ 190,000.00		\$ 60,000.00	130,000.00
General Obligation Bonds	12/01/2013	5,640,000	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%	2,405,000.00		450,000.00	1,955,000.00
Open Space Refunding Bonds	9/10/2015	1,560,000	11/01/2023	705,000	2.000%				
General Obligation Bonds	12/11/2015	8,258,000	11/01/2024	725,000	2.000%				
			11/01/2025	740,000	2.125%				
			11/01/2026	765,000	2.250%				
			11/01/2027	785,000	2.375%	4,410,000.00		690,000.00	3,720,000.00
General Obligation Refunding Bonds*	3/24/2016	2,345,000	12/01/2023	510,000	5.000%				
General Obligation Bonds	11/08/2017	6,910,000	9/15/2023	690,000	3.000%	995,000.00		485,000.00	510,000.00
			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%				
			10/15/2023	765,000	2.000%	5,035,000.00		680,000.00	4,355,000.00
			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%				
			10/15/2023	705,000	0.500%	8,190,000.00		750,000.00	7,440,000.00
			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		583,000.00	10,670,000.00

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, 2022

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Issued	Decreases	Balance Dec. 31, 2022
			Outstanding Dec. 31, 2022	Amount					
General Obligation Bonds	10/26/2022	\$ 9,000,000	10/15/2023	\$ 790,000	4.000%				
			10/15/2024	810,000	4.000%				
			10/15/2025	830,000	4.000%				
			10/15/2026	855,000	4.000%				
			10/15/2027	885,000	4.000%				
			10/15/2028	910,000	4.000%				
			10/15/2029	935,000	4.000%				
			10/15/2030	965,000	4.000%				
			10/15/2031	995,000	4.000%				
			10/15/2032	1,025,000	4.000%	\$	\$ 9,000,000.00	\$	\$ 9,000,000.00
Open Space Bonds	10/26/2022	13,570,000	10/15/2023	740,000	4.000%				
			10/15/2024	750,000	4.000%				
			10/15/2025	770,000	4.000%				
			10/15/2026	795,000	4.000%				
			10/15/2027	815,000	4.000%				
			10/15/2028	840,000	4.000%				
			10/15/2029	865,000	4.000%				
			10/15/2030	890,000	4.000%				
			10/15/2031	920,000	4.000%				
			10/15/2032	950,000	4.000%				
			10/15/2033	980,000	4.000%				
			10/15/2034	1,010,000	3.500%				
			10/15/2035	1,045,000	4.000%				
			10/15/2036	1,080,000	4.000%				
			10/15/2037	1,120,000	3.500%				
						\$	\$ 32,763,000.00	\$	\$ 51,350,000.00
							\$ 22,570,000.00	\$ 3,983,000.00	\$ 13,570,000.00

\* 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, 2022

Improvement Description	Date of Issue	Original Issue	Maturities of Loan		Interest Rate	Balance Dec. 31, 2021	Paid by Budget Appropriation	Balance Dec. 31, 2022
			Outstanding Date	Amount Statement				
Opatut Park Development	October 2005	\$ 400,000.00	See Amortization	Statement	2.00%	\$ 83,676.10	\$ 23,315.76	\$ 60,360.34
Opatut Park Development	September 2007	600,000.00	See Amortization	Statement	2.00%	166,873.15	35,802.32	131,070.83
Opatut Park Development	March 2008	300,000.00	See Amortization	Statement	2.00%	104,981.49	16,638.10	88,343.39
						\$ 355,530.74	\$ 75,756.18	\$ 279,774.56

**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, 2022**

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 279,774.56</u>	<u>\$ 12,049.21</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-8

**SCHEDULE OF BOND ANTICIPATION NOTES**

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Issued for Cash</u>	<u>Budget Appropriations</u>	<u>Serial Bonds</u>	<u>Balance Dec. 31, 2022</u>
19-10	Various Improvements	10/28/2021	10/28/2021	10/27/2022	1.00%	\$ 340,000.00	(292,500.00)	\$ 47,500.00	\$	\$ 292,500.00
20-10	Various Improvements	10/28/2021	10/26/2022	10/25/2023	4.25%		292,500.00			
		11/03/2020	10/28/2021	10/27/2022	1.00%	1,200,000.00	(1,200,000.00)			
21-06	Various Improvements	10/28/2021	10/26/2022	10/25/2023	4.25%		1,200,000.00		9,000,000.00	1,200,000.00
		10/28/2021	10/28/2021	10/27/2022	1.00%	11,000,000.00	(2,000,000.00)			
15-10	Various Improvements	10/26/2022	10/26/2022	10/25/2023	4.25%		2,000,000.00			2,000,000.00
17-06	Various Improvements	10/26/2022	10/26/2022	10/25/2023	4.25%		1,265,000.00			1,265,000.00
20-10	Various Improvements	10/26/2022	10/26/2022	10/25/2023	4.25%		540,000.00			540,000.00
21-06	Various Improvements	10/26/2022	10/26/2022	10/25/2023	4.25%		120,000.00			120,000.00
22-14	Various Improvements	10/26/2022	10/26/2022	10/25/2023	4.25%		2,600,000.00			2,600,000.00
		10/26/2022	10/26/2022	10/25/2023	4.25%		1,750,000.00			1,750,000.00
						\$ 12,540,000.00	\$ 6,275,000.00	\$ 47,500.00	\$ 9,000,000.00	\$ 9,767,500.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

Ordinance Number 07-14, 08-29	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations		Reserve for Encumbrances	Expended	Authorization Cancelled	Balance Dec. 31, 2022	
				Funded	Unfunded	Reappropriated and Portion of Ordinance Funded	Deferred Charges to Future Taxation - Unfunded				Funded	Unfunded
	Various Improvements	6-26-2007	\$ 4,905,700.00	\$ 107,355.33	\$ 767,915.00	\$ (107,355.33)	\$	\$	\$	\$ 767,915.00	\$	\$
	Various Improvements	11-12-2008	155,000.00	215,887.19	1,028,000.00	(215,887.19)		1,124.05		1,028,000.00	1,124.05	1,028,000.00
	Various Improvements	5-26-2009	3,821,000.00	65,613.99	1,193,000.00	(65,613.99)		26,495.06	26,495.00	1,193,000.00	97.06	1,193,000.00
	Various Improvements	8-31-2010	3,627,000.00	407,775.69	441,000.00	(407,775.69)				441,000.00		441,000.00
	Various Improvements	8-23-2011	2,986,000.00	224,648.36	1,026,555.00	(224,648.36)		61,209.40	56,656.00	1,026,555.00	4,544.40	1,026,555.00
	Various Improvements	6-26-2012	5,980,000.00	35,551.83		(35,551.83)		654.51			654.51	
	Various Improvements	10-02-2012	1,475,000.00	537,943.05	2,740,662.70	(537,943.05)		319.69		1,290,660.70		1,290,660.70
	Various Improvements	5-27-2014	8,450,000.00	1,281.52	4,943,239.76		(2,227.99)	57,237.16	50,593.22	1,890,615.20	586.41	1,890,615.20
	Various Improvements	5-26-2015	10,284,311.00	3,048.72	1,527,900.00			36,419.19	43,712.50			3,056,454.10
	Various Improvements	7-26-2016	7,466,000.00	1,723,595.25	3,861,200.00			25,749.74	54,889.95			1,521,888.21
	Various Improvements	6-27-2017	6,800,000.00		934,000.00			174,893.44	378,724.28		1,519,764.41	3,835,108.51
	Various Improvements	6-25-2018	5,793,000.00								26,230.00	934,000.00
	Sidewalks at Opstut Park	3-26-2019	55,000.00									
	Various Improvements	6-25-2019	8,470,000.00	753,413.47	1,472,500.00			53,079.84	18,432.83		835,560.48	1,425,000.00
	Various Improvements	5-26-2020	5,043,000.00		2,447,644.56			158,794.97	150,339.86			2,456,099.67
	Various Improvements	4-27-2021	15,088,000.00	576,738.24	13,687,000.00			193,457.16	5,389,273.92		4,389,921.48	4,687,000.00
	Acquisition of Open Space	6-28-2022	14,250,000.00						13,898,614.89		351,385.11	
	Various Improvements	7-26-2022	3,123,796.57						274,887.29			2,848,909.28
	Various Improvements	7-26-2022	1,597,003.43						269,673.83		1,327,329.60	
				\$ 4,679,082.64	\$ 36,070,617.02	\$ 843,789.83	\$ 16,530,006.74	\$ 789,522.21	\$ 20,612,293.57	\$ 7,637,745.90	\$ 8,448,517.20	\$ 22,214,461.77
	Disbursed Reserve for Encumbrances								\$ 19,311,750.90			
									<u>1,300,542.67</u>			
									\$ 20,612,293.57			

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-10**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

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

Balance December 31, 2021		\$ 228,733.41
Increased by:		
2022 Budget Appropriations	\$ 400,000.00	
Transferred from Open Space Trust Fund	<u>680,000.00</u>	
		1,080,000.00
		<u>1,308,733.41</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>843,789.83</u>
Balance December 31, 2022		<u>\$ 464,943.58</u>

**SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS**

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

**Exhibit C-11**

Balance December 31, 2021 and 2022		<u>\$ 95,737.00</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, 2022

<u>Year of Lease</u>	<u>Lease Principal</u>	<u>Maturities of Leases Outstanding Dec. 31, 2022</u>	<u>Balance Dec. 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
2013	\$ 844,200.00	See Amortization Statement	\$ 146,510.00	\$ 71,890.00	\$ 74,620.00
2015	1,065,000.00	See Amortization Statement	221,000.00	52,000.00	169,000.00
2017	1,312,000.00	See Amortization Statement	402,000.00	259,000.00	143,000.00
2019	1,109,410.00	See Amortization Statement	815,450.00	164,180.00	651,270.00
2021	1,158,780.00	See Amortization Statement	1,158,780.00	179,780.00	979,000.00
			<u>\$ 2,743,740.00</u>	<u>\$ 726,850.00</u>	<u>\$ 2,016,890.00</u>

**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, 2022**

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
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
	<b><u>\$ 2,016,890.00</u></b>	<b><u>\$ 290,601.10</u></b>

**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, 2022**

Ordinance Number	Improvement Description	Balance	2022	Notes	Bonds	Authorizations	Balance
		Dec. 31, 2021	Authorizations	Issued	Issued	Cancelled	Dec. 31, 2022
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	441,000.00				441,000.00	
12-12	Various Improvements	1,026,555.00				1,026,555.00	
14-05	Various Improvements	2,740,662.70				1,290,660.70	1,450,002.00
15-10	Various Improvements	4,947,069.30		1,265,000.00		1,890,615.20	1,791,454.10
16-12	Various Improvements	1,527,900.00					1,527,900.00
17-06	Various Improvements	3,861,200.00		540,000.00			3,321,200.00
18-07	Various Improvements	934,000.00					934,000.00
19-10	Various Improvements	1,132,500.00		120,000.00			1,132,500.00
20-10	Various Improvements	1,473,800.00		2,600,000.00			1,353,800.00
21-06	Various Improvements	2,687,000.00					87,000.00
22-09	Acquisition of Open Space		13,570,000.00		13,570,000.00		
22-14	Various Improvements		2,960,006.74	1,750,000.00			1,210,006.74
		<u>\$ 23,760,602.00</u>	<u>\$ 16,530,006.74</u>	<u>\$ 6,275,000.00</u>	<u>\$ 13,570,000.00</u>	<u>\$ 7,637,745.90</u>	<u>\$ 12,807,862.84</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, 2022

	<u>Operating</u>	<u>Capital</u>
Decreased by Disbursements:		
Budget Appropriations	\$ 12,508,861.79	\$
Appropriation Reserves	350,762.32	
Accounts Payable	2,964.00	
Interfunds	1,777.88	147,847.02
Accrued Interest on Bonds and Notes	243,750.24	
Water-Sewer Rent Overpayments	41,866.76	4,622,841.35
Improvement Authorizations		32,340.74
Utilized in Operating Fund Budget:		5,275,000.00
Fund Balance		<u>10,078,029.11</u>
Bond Anticipation Notes	\$ 13,149,982.99	
Balance December 31, 2022:		
Cash and Cash Equivalents	11,859,639.94	9,450,775.82
Investments	<u>30,044.79</u>	
	\$ 11,889,684.73	\$ <u>9,450,775.82</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, 2022**

Balance December 31, 2021		\$ 241,912.80
Increased by:		
Water Charges Levied	\$ 4,706,037.17	
Other Charges Billed	<u>864,378.45</u>	
		<u>5,570,415.62</u>
		<u>5,812,328.42</u>
Decreased by:		
Receipts	5,458,455.34	
Prepaid Applied	<u>27,366.32</u>	
		<u>5,485,821.66</u>
Balance December 31, 2022		\$ <u><u>326,506.76</u></u>
<b><u>Allocation of Revenue</u></b>		
Water Rents		\$ 4,626,494.84
Miscellaneous:		
Fire Hydrant Services		220,095.89
Water Connection Fees		597,174.76
Miscellaneous Other		<u>42,056.17</u>
		\$ <u><u>5,485,821.66</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, 2022**

Balance December 31, 2021		\$ 409,142.62
Increased by:		
Sewer Charges Levied	\$ 7,864,676.29	
Other Charges Billed	<u>424,819.68</u>	
		<u>8,289,495.97</u>
Decreased by:		
Receipts	8,228,560.49	
Prepaid Applied	<u>13,693.08</u>	
		<u>8,242,253.57</u>
Balance December 31, 2022		<u><u>\$ 456,385.02</u></u>
<b><u>Allocation of Revenue</u></b>		
Sewer Rents		\$ 7,817,433.89
Miscellaneous:		
Sewer Connection Fees		424,591.68
Miscellaneous Other		<u>228.00</u>
		<u><u>\$ 8,242,253.57</u></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, 2022**

	<b>Balance Dec. 31, 2021 and 2022</b>
Purchase and Improvement of the Freehold	
Water and Utility Company	\$ 1,700,000.00
Maintenance and Storage Facility	75,000.00
Purchase of Southern Gulf Water Company	326,428.10
Treatment Plant	6,201,098.58
Distribution Mains	4,210,594.56
Meters and Meters Accessories	451,511.70
Standpipes and Storage Tanks	1,046,073.45
Wells	4,459,335.88
Land	432,146.38
Water System and Sewer System Improvements	28,540,013.80
Sewer Collection System	6,137,275.40
Sewer Emergency Response	17,781.33
Vehicles	1,213,614.96
Equipment	112,066.94
	<u>\$ 54,941,484.54</u>

**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, 2022**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2021</u></b>	<b><u>2022 Authorizations Charges to Future Revenue</u></b>	<b><u>Balance Dec. 31, 2022</u></b>
	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	SCADA System Upgrades	1,000,000.00		1,000,000.00
17-07	Various Improvements to the Water-Sewer System	250,000.00		250,000.00
18-08	Various Improvements to the Water-Sewer System	3,030,000.00		3,030,000.00
18-10	Improvements to Well 15	260,000.00		260,000.00
19-11	Various Improvements to the Water-Sewer System	2,676,000.00		2,676,000.00
19-13	Improvements to Pump Stations	80,000.00		80,000.00
20-11	Various Improvements to the Water-Sewer System	1,706,000.00		1,706,000.00
21-07	Various Improvements to the Water-Sewer System	6,054,000.00		6,054,000.00
22-15	Various Improvements to the Water-Sewer System		<u>1,362,000.00</u>	<u>1,362,000.00</u>
		<u>\$ 26,893,289.75</u>	<u>\$ 1,362,000.00</u>	<u>\$ 28,255,289.75</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATION RESERVES**

Exhibit D-11

**SCHEDULE OF APPROPRIATION RESERVES**

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

	<b><u>Balance Dec. 31, 2021</u></b>	<b><u>Reserve for Encumbrances</u></b>	<b><u>Balance After Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
Operating:					
Salaries and Wages	\$ 114,427.13	\$	\$ 114,427.13		\$ 114,427.13
Other Expenses	671,175.27	155,944.67	827,119.94	350,762.32	476,357.62
Capital Improvement:					
Capital Outlay	93,751.90		93,751.90		93,751.90
Statutory Expenditures:					
Contribution to:					
Social Security System	<u>7,465.53</u>		<u>7,465.53</u>		<u>7,465.53</u>
	<u>\$ 886,819.83</u>	<u>\$ 155,944.67</u>	<u>\$ 1,042,764.50</u>	<u>\$ 350,762.32</u>	<u>\$ 692,002.18</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, 2022**

Balance December 31, 2021	\$ 37,027.53
Increased by:	
Budget Appropriations:	
Interest on Bonds and Notes	<u>247,500.00</u>
	<u>284,527.53</u>
Decreased by:	
Disbursed	<u>243,750.24</u>
Balance December 31, 2022	\$ <u><u>40,777.29</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

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

Exhibit D-13

Ordinance Number	Improvement Description	Ordinance Amount		Balance Dec. 31, 2021		2022 Ordinance Deferred Charges to Future Revenue	Reserve for Encumbrances	Expended	Balance Dec. 31, 2022			
		Date	Amount	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		62,565.85	202,686.17	142,586.14	929,974.00		
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		359,778.52		81,574.50			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		311,685.08	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	6,897.00	102,158.83			
18-08	Various Improvements to the Water-Sewer System	6/25/2018	3,030,000	46,382.14	2,507,900.00		93,585.36	1,513,982.86		1,135,884.64		
18-10	Improvements to Well 15	6/25/2018	260,000	98,669.59				17,902.00				
19-11	Various Improvements to the Water-Sewer System	6/25/2019	2,676,000	304,247.67	1,505,100.00		35,578.14	1,025,513.14		819,412.67		
19-13	Improvements to Pump Stations	6/25/2019	80,000	80,000.00				71,530.00				
20-11	Various Improvements to the Water-Sewer System	5/26/2020	1,706,000	101,824.68	871,000.00		173,478.00	369,382.35		331,000.00		
21-07	Various Improvements to the Water-Sewer System	4/27/2021	6,054,000		5,644,215.00		400,000.00	3,536,114.34		2,508,100.66		
22-15	Various Improvements to the Water-Sewer System	7/29/2022	1,362,000			1,362,000.00		70,002.29		1,291,997.71		
									\$ 1,563,393.71	\$ 13,508,039.73	\$ 1,719,872.65	\$ 8,783,513.95

Disbursements  
Reserve for Encumbrances

\$ 4,622,841.35  
2,272,743.30  
6,895,584.65

**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, 2022**

Balance December 31, 2021	\$ 429,752.57
Increased by:	
2022 Budget Appropriations	<u>50,000.00</u>
Balance December 31, 2022	<u>\$ 479,752.57</u>

**SCHEDULE OF RESERVE FOR AMORTIZATION**

**Exhibit D-15**

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

Balance December 31, 2021	\$ 54,120,887.15
Increased by:	
Budget Appropriations:	
Serial Bonds	\$ 517,092.20
M.C.I.A. Lease Payable	<u>75,150.00</u>
	<u>592,242.20</u>
Balance December 31, 2022	<u>\$ 54,713,129.35</u>

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, 2022

Ordinance Number	Improvements Description	Balance		Budget Appropriation		Balance Dec. 31, 2022
		Dec. 31, 2021		Serial Bonds	Notes	
	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	949,976.95		126,753.00	75,000.00	1,151,729.95
10-22	Various Improvements to the Water-Sewer System	362,696.24		12,484.80		375,181.04
11-21	Various Improvements to the Water-Sewer System	44,978.18		15,483.60		60,461.78
12-13	Various Improvements to the Water-Sewer System	78,875.99		21,079.80		99,955.79
14-06	Various Improvements to the Water-Sewer System	1,875,473.41		358,094.20		2,233,567.61
15-11	Various Improvements to the Water-Sewer System	384,184.43		34,608.60		418,793.03
16-09	SCADA System Upgrades	1,000,000.00				1,000,000.00
17-07	Various Improvements to the Water-Sewer System	250,000.00				250,000.00
18-08	Various Improvements to the Water-Sewer System	11,632.94		10,018.80		21,651.74
18-10	Improvements to Well 15	260,000.00				260,000.00
19-11	Various Improvements to the Water-Sewer System	34,119.25		29,385.00		63,504.25
19-13	Improvements to Pump Stations	80,000.00				80,000.00
		<u>\$ 5,673,187.39</u>	<u>\$ 607,907.80</u>	<u>\$ 75,000.00</u>		<u>\$ 6,356,095.19</u>



**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, 2022**

Ordinance Number	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Issued for Cash	Serial Bonds Issued	Decreased by		Balance Dec. 31, 2022
									Budget Appropriation	Budget Appropriation	
09-17	Various Improvements to the Water-Sewer System	10/28/2021	10/28/2021	10/27/2022	1.00%	\$ 127,000.00	\$	\$ 52,000.00	\$ 75,000.00	\$	\$
18-08	Various Improvements to the Water-Sewer System	11/06/2018 10/28/2021 10/28/2021	10/28/2021 10/28/2021 10/26/2022	10/27/2022 10/27/2022 10/25/2023	1.00% 1.00% 4.25%	745,000.00 1,078,000.00	(719,510.00) 719,510.00	745,000.00 358,490.00			719,510.00
19-11	Various Improvements to the Water-Sewer System	11/04/2019 10/28/2021 10/28/2021 10/28/2021 10/26/2022 10/26/2022	10/28/2021 10/28/2021 10/26/2022 10/26/2022	10/27/2022 10/27/2022 10/25/2023 10/25/2023	1.00% 1.00% 4.25% 4.25%	460,000.00 600,000.00	(93,065.00) 93,065.00 50,000.00	460,000.00 506,935.00			93,065.00 50,000.00
20-11	Various Improvements to the Water-Sewer System	11/03/2020 11/03/2020	10/28/2021 10/26/2022	10/27/2022 10/25/2023	1.00% 4.25%	665,000.00	(125,000.00) 125,000.00	540,000.00			125,000.00
21-07	Various Improvements to the Water-Sewer System	10/28/2021 10/28/2021 10/26/2022	10/28/2021 10/26/2022 10/26/2022	10/27/2022 10/25/2023 10/25/2023	1.00% 4.25% 4.25%	5,000,000.00	(2,387,425.00) 2,387,425.00 143,000.00	2,612,575.00			2,387,425.00 143,000.00
22-15	Various Improvements to the Water-Sewer System	10/26/2022	10/26/2022	10/25/2023	4.25%		1,362,000.00				1,362,000.00
						\$ 8,675,000.00	\$ 1,555,000.00	\$ 5,275,000.00	\$ 75,000.00	\$	\$ 4,880,000.00

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, 2022

<u>Year of Lease</u>	<u>Lease Principal</u>	<u>Maturities of Lease Outstanding Dec. 31, 2022</u>	<u>Balance Dec. 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
2013	\$ 73,800.00	See Amortization Statement	\$ 14,490.00	7,110.00	7,380.00
2019	309,590.00	See Amortization Statement	227,550.00	45,820.00	181,730.00
2021	143,220.00	See Amortization Statement	143,220.00	22,220.00	121,000.00
			<u>\$ 385,260.00</u>	<u>\$ 75,150.00</u>	<u>\$ 310,110.00</u>

**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, 2022**

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
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>\$ 310,110.00</u>	<u>\$ 51,153.90</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, 2022**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Bonds Issued</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2022</u>
06-22	Various Improvements to the Water-Sewer System	\$ 84,465.75				\$ 84,465.75
09-17	Various Improvements to the Water-Sewer System	1,109,974.00				969,974.00
10-22	Various Improvements to the Water-Sewer System	376,000.00		140,000.00		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	707,000.00				707,000.00
19-11	Various Improvements to the Water-Sewer System	845,100.00			50,000.00	795,100.00
20-11	Various Improvements to the Water-Sewer System	206,000.00				206,000.00
21-07	Various Improvements to the Water-Sewer System	1,054,000.00			143,000.00	911,000.00
22-15	Various Improvements to the Water-Sewer System		1,362,000.00		1,362,000.00	
		<u>\$ 5,720,439.75</u>	<u>\$ 1,362,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ 1,555,000.00</u>	<u>\$ 5,387,439.75</u>

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TOWNSHIP OF FREEHOLD

PART II

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL FINANCIAL  
ASSISTANCE PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail [info@scnco.com](mailto:info@scnco.com)

**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 regulatory 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, 2022, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated September 26, 2023. 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 internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Township's internal control.

# SUPLEE, CLOONEY & COMPANY

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.

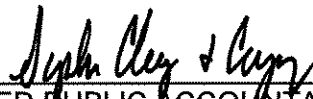
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

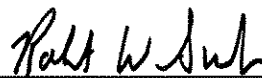
## **Purpose of This Report**

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.



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CERTIFIED PUBLIC ACCOUNTANTS



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REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 26, 2023



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
FINANCIAL ASSISTANCE PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

## SUPLEE, CLOONEY & COMPANY

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

# SUPLEE, CLOONEY & COMPANY

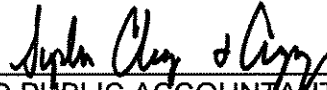
## Report on Internal Control over Compliance

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

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 26, 2023

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Schedule 1

YEAR ENDED DECEMBER 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Program or Award Amount	Grant Period		Year 2022		Total Expenditures
				From	To	Cash Received	Expenditures	
<b>Department of Justice</b>								
Direct Award:								
Bulleproof Vest Program	16.607	2020 Grant Award	2,582.26	7/1/2020	6/30/2021	1,910.20	2,582.26	
Bulleproof Vest Program	16.607	2021 Grant Award	4,812.50	7/1/2021	6/30/2022	2,493.10	4,812.50	
Bulleproof Vest Program	16.607	2022 Grant Award	4,427.50	7/1/2022	6/30/2023	4,403.30	4,427.50	
Total Direct Programs Department of Justice						4,403.30	11,822.26	
Total Department of Justice						4,403.30	11,822.26	
<b>Department of Law and Public Safety</b>								
Indirect Programs - Passed through the State of New Jersey:								
Click It or Ticket	20.616	OP 22 45 01 MC.26	7,000.00	5/23/2022	6/5/2022	7,000.00	7,000.00	
Distracted Driving	20.616	DD 22 45 01 DD 31	10,500.00	4/1/2022	4/30/2022	10,500.00	10,500.00	
Drive Sober or Get Pulled Over	20.616	AL 22 45 08 MS 14	7,000.00	8/17/2022	9/5/2022	5,950.00	5,950.00	
Total Indirect Programs - Passed through the State of New Jersey						23,450.00	23,450.00	
Total Department of Law and Public Safety						23,450.00	23,450.00	
<b>U.S. Department of the Health and Human Services</b>								
Indirect Programs - Passed through the State of New Jersey:								
Covid-19 Vaccination Supplemental	93.268	OLPH22VVF068	50,000.00	7/1/2021	6/30/2022	50,000.00	50,000.00	
2022 Strengthening Local Public Health Capacity	93.323	OLPH22PHCO52	291,042.00	7/1/2021	6/30/2022	284,369.00	284,369.00	
2023 Strengthening Local Public Health Capacity	93.323	OLPH22PHCO59	145,135.00	7/1/2022	6/30/2023	31,168.00	70,076.74	
2023 Strengthening Local Public Health Capacity	93.354	OLPH22PHCO59	129,600.00	7/1/2022	6/30/2023	31,420.00	54,117.00	
Total Indirect Programs - Passed through the State of New Jersey						396,957.00	324,698.33	
Total Department of Health						396,957.00	324,698.33	
<b>Department of the Treasury</b>								
Direct Award:								
Coronavirus State and Local Fiscal Recovery Fund	21.027		3,624,044.03	3/3/21	12/31/24	1,812,022.02	1,100,000.00	
American Rescue Plan						1,812,022.02	1,100,000.00	
Total Direct Programs Department of the Treasury						1,812,022.02	1,100,000.00	
Total Department of the Treasury						1,812,022.02	1,100,000.00	
<b>Federal Emergency Management Agency</b>								
Direct Award:								
Disaster Grant	97.036	PA4574PW04-97.036-4574	360,523.23			360,523.23	360,523.23	
Total Direct Programs Federal Emergency Management Agency						360,523.23	360,523.23	
Total Federal Emergency Management Agency						360,523.23	360,523.23	
Total Federal Assistance						2,597,355.55	1,452,575.83	\$ 1,830,164.49

See accompanying notes to the schedule of expenditures of federal awards.

TOWNSHIP OF FREEHOLD

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

NOTE 1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial programs of the Township of Freehold, County of Monmouth, New Jersey. All federal assistance received directly from federal or state agencies, as well as federal assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exceptions, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal reports. In addition, the Township has not elected to use the de minimus cost rate as covered in 2 CFR 200.414 (F&AS) costs.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in the Grant Fund and Current Fund

Revenues:	
	<u>Federal</u>
Current Fund	\$ 2,172,545.25
Grant Fund:	
Appropriated	<u>424,810.30</u>
	\$ <u>2,597,355.55</u>
Expenditures:	
	<u>Federal</u>
Current Fund	\$ 1,100,000.00
Grant Fund	<u>352,575.83</u>
	\$ <u>1,452,575.83</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

**Township of Freehold**  
**Monmouth County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2022**

**Section I - Summary of Auditor's Results**

**Financial Statements**

- |  |            |
|--|------------|
| (1) Type of Auditor's Report Issued:   | Unmodified |
| (2) Internal Control Over Financial Reporting:   |            |
| (a) Material weaknesses identified?  | No         |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) Noncompliance material to the financial statements noted during the audit?             | No         |

**Federal Program(s)**

- |   |            |
|---|------------|
| (1) Internal Control Over Major Federal Programs:   |            |
| (a) Material weaknesses identified?   | No         |
| (b) Significant deficiencies identified that are not considered to be material weaknesses?  | No         |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)?   | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule? | No         |
| (4) Identification of Major Federal Program(s):   |            |

<u>Program</u>	<u>Program Number</u>
American Rescue Plan Act	21.027

- |   |    |
|---|----|
| (5) Program Threshold Determination:                                    |    |
| Type A Federal Program Threshold $\geq$ \$750,000.00                    |    |
| Type B Federal Program Threshold $<$ \$750,000.00                       |    |
| (6) Auditee qualified as a low-risk auditee under the Uniform Guidance? | No |

**Township of Freehold**  
**Monmouth County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2022**

**Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards**

**Internal Control Findings** – None Reported

**Compliance Findings** – None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal Programs**

**Federal Programs** – None

**Township of Freehold**  
**Monmouth County, New Jersey**

**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2022**

**Status of Prior Year Audit Findings**

None Reported

PART III

TOWNSHIP OF FREEHOLD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

	Year 2022		Year 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 7,746,801.73	4.22%	\$ 7,552,950.00	4.30%
Miscellaneous - From Other Than Local		0.00%		0.00%
Property Tax Levies	31,224,336.00	17.02%	27,171,884.43	15.47%
Collection of Delinquent Taxes and Tax Title Liens	1,150,470.30	0.63%	981,682.63	0.56%
Collection of Current Tax Levy	143,352,655.56	78.13%	139,906,532.30	79.67%
<u>TOTAL INCOME</u>	<u>\$ 183,474,263.59</u>	<u>100.00%</u>	<u>\$ 175,613,049.36</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 44,706,099.69	25.85%	\$ 41,599,295.38	24.90%
County Taxes	18,904,006.05	10.93%	19,507,877.92	11.68%
Local School Taxes	74,266,573.00	42.94%	72,792,206.00	43.57%
Regional School Tax	29,239,249.00	16.91%	28,322,253.00	16.95%
Municipal Open Space Tax	2,273,067.98	1.31%	2,060,435.88	1.23%
Special District Tax	2,482,614.00	1.44%	2,347,671.00	1.41%
Other Expenditures	1,074,006.38	0.62%	453,028.98	0.27%
<u>TOTAL EXPENDITURES</u>	<u>\$ 172,945,616.10</u>	<u>100.00%</u>	<u>\$ 167,082,768.16</u>	<u>100.00%</u>
Excess in Revenue	\$ 10,528,647.49		\$ 8,530,281.20	
Fund Balance, January 1	12,348,134.09		11,370,802.89	
	\$ 22,876,781.58		\$ 19,901,084.09	
Less: Utilization as Anticipated Revenue	7,746,801.73		7,552,950.00	
Fund Balance, December 31	<u>\$ 15,129,979.85</u>		<u>\$ 12,348,134.09</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE-WATER-SEWER UTILITY OPERATING FUND

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,176,605.26	17.83%	\$ 3,080,514.00	17.00%
Collection of Water-Sewer Rents	12,443,928.73	69.86%	11,994,892.09	66.18%
Miscellaneous - Other than Water-Sewer Rents	<u>2,192,659.80</u>	<u>12.31%</u>	<u>3,048,803.41</u>	<u>16.82%</u>
<u>TOTAL INCOME</u>	<u>\$ 17,813,193.79</u>	<u>100.00%</u>	<u>\$ 18,124,209.50</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 12,118,806.00	84.07%	\$ 11,463,427.00	84.20%
Capital Improvements	363,000.00	2.52%	193,000.00	1.42%
Debt Service	1,542,853.43	10.70%	1,594,327.00	11.71%
Statutory Expenditures	<u>389,793.23</u>	<u>2.70%</u>	<u>363,417.00</u>	<u>2.67%</u>
<u>TOTAL EXPENDITURES</u>	<u>14,414,452.66</u>	<u>100.00%</u>	<u>13,614,171.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 3,398,741.13		\$ 4,510,038.50	
Fund Balance, January 1	<u>9,938,960.75</u>		<u>8,509,436.25</u>	
	\$ 13,337,701.88		\$ 13,019,474.75	
Less: Utilization by Water-Sewer Operating Budget	<u>3,176,605.26</u>		<u>3,080,514.00</u>	
Fund Balance, December 31	<u>\$ 10,161,096.62</u>		<u>\$ 9,938,960.75</u>	

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	\$ <u>1.981</u>	\$ <u>2.121</u>	\$ <u>2.130</u>
Apportionment of Tax Rate			
Net County Levy	.208	.237	.237
County Library Tax	.016	.018	.017
County Open Space Tax	.027	.029	.028
Municipal Open Space Tax	.030	.030	.030
District School Tax	.992	1.060	1.074
Regional School District	.391	.412	.408
Local Municipal Purpose Tax	.317	.335	.336
Fire Districts			
Number 1	.034	.035	.040
Number 2	.034	.035	.035
Assessed Valuation			
2022	\$ 7,482,540,200		
2021		\$ 6,868,119,600	
2020			\$ 6,717,431,900

**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>
2022	\$ 152,146,942	\$ 151,099,457	99.31%
2021	148,643,310	147,459,482	99.20%
2020	146,502,281	145,474,806	99.29%

**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>
2022	\$ 309,537	\$ 976,230	\$ 1,285,767	.85%
2021	301,588	1,141,992	1,443,580	.97%
2020	396,104	981,182	1,377,286	.94%

**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>
2022	\$ 1,102,850
2021	1,106,850
2020	584,150

**COMPARISON OF WATER-SEWER UTILITY RENTS**

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Cash Collections</u>
2022	\$ 13,859,912	\$ 651,055	\$ 13,728,075
2021	13,455,330	577,248	13,279,701
2020	12,258,528	625,806	12,307,086

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<b><u>Current Fund</u></b>		
2022	\$ 15,129,980	\$ 8,641,877
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
<b><u>Water Utility Operating Fund</u></b>		
2022	\$ 10,161,097	\$ 3,785,232
2021	9,934,716	3,176,605
2020	8,509,436	3,080,514
2019	8,245,787	2,804,682
2018	10,056,555	4,021,949

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes and Loans	\$ 63,342,373	\$ 47,732,417	\$ 38,569,794
Water-Sewer Utility:			
Bonds and Notes	<u>16,430,000</u>	<u>15,935,000</u>	<u>10,455,000</u>
	<u>79,772,373</u>	<u>63,667,417</u>	<u>49,024,794</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General Capital Fund	462,388	287,938	237,938
Open Space Debt not Subject to Debt Limitation	<u>16,057,472</u>	<u>3,037,001</u>	<u>3,904,392</u>
	<u>16,519,860</u>	<u>3,324,939</u>	<u>4,142,330</u>
Net Debt Issued	<u>63,252,513</u>	<u>60,342,478</u>	<u>44,882,464</u>
 <b><u>Authorized and not Issued</u></b>			
General:			
Bonds, Notes and Loans	12,807,863	23,760,602	23,466,602
Water-Sewer Utility:			
Bonds, Notes and Loans	<u>5,387,440</u>	<u>5,720,340</u>	<u>6,471,440</u>
	<u>18,195,303</u>	<u>29,480,942</u>	<u>29,938,042</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 81,447,816</u>	<u>\$ 89,823,420</u>	<u>\$ 74,820,506</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 .788%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 27,970,000	\$ 27,970,000	\$
Regional School District Debt	2,780,291	2,780,291	
Water-Sewer Utility Debt	21,817,440	21,817,440	
General Debt	<u>76,150,236</u>	<u>16,519,860</u>	<u>59,630,376</u>
	<u>\$ 128,717,967</u>	<u>\$ 69,087,591</u>	<u>\$ 59,630,376</u>

Net Debt \$59,630,376 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$7,565,688,848 = .788%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 264,799,110
Net Debt	<u>58,630,376</u>
Remaining Borrowing Power	\$ <u>205,168,734</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		\$ 17,121,192
Deductions:		
Operating and Maintenance Cost	\$ 12,508,599	
Debt Service per Water Account	<u>1,542,854</u>	
Total Deductions		<u>14,051,453</u>
Excess in Revenue		\$ <u>3,069,739</u>

The foregoing debt information is in agreement with a revised Annual Debt Statement as filed by the Chief Financial Officer.

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OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>
Maureen Fassano	Mayor
Alan Walker	Deputy Mayor
Lester A. Preston, Jr.	Committeeman
Thomas L. Cook	Committeeman
Anthony J. Ammiano	Committeeman
Peter R. Valesi	Township Administrator
Sanabel Abouzeina	Township Clerk
Jeffery Elsasser	Chief Financial Officer
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:

- Leaf Recycling/Disposal
- Well Maintenance and Motor Repairs for the Utility Department
- Rehabilitation of Well No. 9
- Jackson Mills Road Water Treatment Plant Repair & Redevelopment of Well No 14
- Grass Cutrting & Related Maintenance to Onsite Landscape Management
- Michael J. Tighe Park Pavilion Installation
- Various Streets & Road Materials
- 2022 Pavement Overlay Program
- Rose Court Headwall Replacement
- Pavement Preservation Program
- Disposal of Leaves
- 2023-2024 Recycling Services

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 7, 2022 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>
2022	\$1,102,850.00
2021	1,106,850.00
2020	584,150.00

TAX TITLE LIENS

The last tax sale was held on December 7, 2022 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>
2022	21
2021	21
2020	33

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 2022 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



