

Report of Audit
on the
Financial Statements
of the
Borough of Matawan
in the
County of Monmouth
New Jersey
for the
Year Ended
December 31, 2023

BOROUGH OF MATAWAN

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BOROUGH OF MATAWAN

PART I

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YEAR ENDED DECEMBER 31, 2023



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@senco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Matawan
County of Monmouth
Matawan, New Jersey 07747

Report on the Audit of 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 Borough of Matawan (the "Borough"), as of and for the year ended December 31, 2023 and 2022, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough'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 Borough as of December 31, 2023 and 2022, 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, 2023.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2023 and 2022, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

SUPLEE, CLOONEY & COMPANY LLC

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough 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 Borough 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 Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY LLC

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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 Borough'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 Borough's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

SUPLEE, CLOONEY & COMPANY LLC

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024 on our consideration of the Borough'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 Borough'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 Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

February 15, 2024



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail 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 Borough Council
Borough of Matawan
County of Monmouth
Matawan, New Jersey 07747

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 Borough of Matawan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated February 15, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Matawan 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 Borough's control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough's internal control.

SUPLEE, CLOONEY & COMPANY LLC

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough of Matawan'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 Borough'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. However, there were other instances of noncompliance which we discussed in Part II, General Comments and Recommendations section of this audit report.

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

February 15, 2024

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CURRENT FUND

BOROUGH OF MATAWAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
Current Fund:			
Cash - Treasurer	A-4	\$ 8,665,119.53	\$ 7,782,559.24
Change Funds	A-5	250.00	250.00
Due From State of New Jersey Ch. 20, P.L.1971	A-11	5,500.00	4,750.00
		<u>8,670,869.53</u>	<u>7,787,559.24</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-6	364,264.52	204,077.09
Tax Title Liens Receivable	A-7	10,242.82	16,524.13
Property Acquired for Taxes - Assessed Valuations		27,600.00	27,600.00
Revenue Accounts Receivable	A-8	4,366.72	1,455.44
Interfund Receivable	A-13	5,123.80	2,030.20
	A	<u>411,597.86</u>	<u>251,686.86</u>
Deferred Charges:			
Emergency Authorization 40A: 4-53	A-27	15,000.00	30,000.00
Emergency Authorization 40A: 4-46	A-28		315,000.00
		<u>9,097,467.39</u>	<u>8,384,246.10</u>
Grant Fund:			
Interfunds Receivable	A-32	705,753.45	662,550.08
Grants Receivable	A-29	559,336.52	61,907.52
		<u>1,265,089.97</u>	<u>724,457.60</u>
		<u>\$ 10,362,557.36</u>	<u>\$ 9,108,703.70</u>

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

BOROUGH OF MATAWAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-12	\$ 1,451,130.56	\$ 1,167,283.71
Encumbrances	A-9	345,401.79	606,603.24
Accounts Payable	A-10	94,642.85	101,087.54
Interfunds Payable	A-13	705,753.45	662,550.08
Prepaid Taxes	A-15	203,920.66	192,109.87
County Taxes Payable	A-17	3,274.14	2,681.37
Regional School Taxes Payable	A-18	466,886.24	10.20
Library Taxes Payable	A	182.00	182.00
Reserve for:			
Railroad Parking	A-14	22,488.01	16,766.57
Cannabis License Applications	A-19	12,000.00	72,000.00
Damage Claims	A-20	103,460.00	103,460.00
Municipal Relief Fund Aid	A-21	151,363.91	75,698.04
Library State Aid	A-22	5,325.00	4,925.00
Marriage Licenses - Due State of New Jersey	A-23	2,173.00	1,198.00
Debris Clean Up	A-24	12,804.05	12,804.05
Property Reassessment	A-25	76,079.01	86,299.01
Master Plan	A-26	1,453.25	1,453.25
		<u>3,658,337.92</u>	<u>3,107,111.93</u>
Reserve for Receivables and Other Assets	A	411,597.86	251,686.86
Fund Balance	A-1	5,027,531.61	5,025,447.31
		<u>9,097,467.39</u>	<u>8,384,246.10</u>
Grant Fund:			
Reserve for:			
Grants Appropriated	A-30	725,990.83	211,971.19
Grants Unappropriated	A-31	30,191.31	491,023.21
Interfunds Payable	A-32	499,680.58	
Encumbrances Payable	A-30	9,227.25	21,463.20
		<u>1,265,089.97</u>	<u>724,457.60</u>
		<u>\$ 10,362,557.36</u>	<u>\$ 9,108,703.70</u>

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,600,000.00	\$ 1,503,000.00
Miscellaneous Revenue Anticipated	A-2	3,189,979.22	2,470,610.40
Receipts from Delinquent Taxes	A-2	215,282.85	8,396.48
Receipts from Current Taxes	A-2	33,686,302.17	33,030,897.96
Non-Budget Revenue	A-2	158,692.76	210,523.03
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	880,459.58	1,093,807.95
Cancel prior year taxes		3.49	
Accounts Payable Cancelled			130.00
<u>Total Income</u>		<u>39,730,720.07</u>	<u>38,317,365.82</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Operations Within "CAPS"		9,036,692.00	9,012,787.90
Deferred Charges and Statutory Expenditures		1,366,232.20	1,346,025.40
Judgements			315,000.00
Other Operations Excluded from "CAPS"		1,580,956.57	813,011.78
Capital Improvements		200,000.00	150,000.00
Municipal Debt Service		1,895,496.43	2,014,229.16
Deferred Charges		468,546.98	15,000.00
<u>Total Budget and Emergency Authorizations:</u>	A-3	<u>14,547,924.18</u>	<u>13,666,054.24</u>
County Taxes	A-17	3,151,455.29	3,255,798.25
Due County for Added Taxes	A-17	3,273.36	2,680.63
Regional School Taxes	A-18	20,419,946.00	19,799,080.00
Refund of Prior Year Revenue	A-4	1,193.34	
Senior Citizen Deduction Disallowed on Prior Years Taxes	A-11	1,750.00	2,000.00
Prior Year tax Appeals			18,505.96
Interfunds Advanced		3,093.60	399.04
<u>Total Expenditures</u>		<u>38,128,635.77</u>	<u>36,744,518.12</u>
Excess in Revenues		1,602,084.30	1,572,847.70
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Special Emergency Appropriation			315,000.00
Statutory Excess to Fund Balance		1,602,084.30	1,887,847.70
Fund Balance, January 1	A	5,025,447.31	4,640,599.61
		<u>6,627,531.61</u>	<u>6,528,447.31</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	1,600,000.00	1,503,000.00
Fund Balance, December 31	A	\$ <u>5,027,531.61</u>	\$ <u>5,025,447.31</u>

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>SPECIAL N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	A-1	\$ 1,600,000.00		\$ 1,600,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	21,776.00		21,081.00	(695.00)
Other	A-8	10,000.00		12,809.00	2,809.00
Fees and Permits	A-2	21,816.00		26,164.00	4,348.00
Fines and Costs - Municipal Court	A-8	33,500.00		40,608.89	7,108.89
Interest and Costs on Taxes	A-8	27,000.00		64,693.36	37,693.36
PILOT - Senior Citizen Housing Complex	A-8	110,000.00		109,620.00	(380.00)
Cable Franchise Fee	A-8	133,000.00		124,447.90	(8,552.10)
Railroad Parking Lot Fees and Permits	A-14	170,000.00		100,000.00	(70,000.00)
Cell Tower Lease	A-8	150,000.00		189,876.59	39,876.59
Energy Receipts Tax	A-8	1,461,189.00		1,461,188.93	(0.07)
Municipal Relief Fund	A-21	75,698.04		75,698.04	
Uniform Construction Code Fees	A-8	67,500.00		12,290.50	(55,209.50)
Recycling Tonnage Grant	A-29	20,205.52		20,205.52	
Clean Communities Program	A-29	36,103.32		36,103.32	
Alcohol Education and Rehabilitation Fund	A-29	908.80		908.80	
Body Armor Fund	A-29	1,842.93		1,842.93	
Local Recreation Improvement Grant	A-29	74,000.00		74,000.00	
2023 County Open Space - Clinton St Park 1	A-29		97,000.00	97,000.00	
2023 County Open Space - Clinton St Park 2	A-29		192,000.00	192,000.00	
Historic Preservation Grant - Burrowes Mansion 1	A-29		33,964.00	33,964.00	
Historic Preservation Grant - Burrowes Mansion 2	A-29		149,377.00	149,377.00	
2023 Spotted Lanternfly	A-29		15,000.00	15,000.00	
Uniform Fire Safety Act	A-8	90,000.00		102,552.46	12,552.46
Off Duty Police Trust Fund Reserve	A-8	70,000.00		70,000.00	
Capital Surplus	A-8	138,546.98		138,546.98	
Reserve for Cannabis	A-19	20,000.00		20,000.00	
	A-1	<u>2,733,086.59</u>	<u>487,341.00</u>	<u>3,189,979.22</u>	<u>(30,448.37)</u>
Receipts from Delinquent Taxes	A-1	<u>50,000.00</u>		<u>215,282.85</u>	<u>165,282.85</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	<u>10,552,000.16</u>		<u>10,841,627.52</u>	<u>289,627.36</u>
<u>Budget Totals</u>		<u>14,935,086.75</u>	<u>487,341.00</u>	<u>15,846,889.59</u>	<u>424,461.84</u>
Non-Budget Revenue	A-1:A-2			<u>158,692.76</u>	<u>158,692.76</u>
		<u>\$ 14,935,086.75</u>	<u>\$ 487,341.00</u>	<u>\$ 16,005,582.35</u>	<u>\$ 583,154.60</u>
	<u>REF.</u>	A-3	A-3		

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

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

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1:A-6	\$	33,686,302.17
Allocated To:			
County Taxes	A-17	\$	3,154,728.65
School Taxes	A-18		<u>20,419,946.00</u>
			<u>23,574,674.65</u>
Balance for Support of Municipal Budget Appropriations			10,111,627.52
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>730,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>10,841,627.52</u></u>
Fees and Permits - Other:			
Board of Health & Registrar	A-8	\$	9,175.00
Clerk	A-8		4,906.00
Police Department	A-8		<u>12,083.00</u>
	A-2	\$	<u><u>26,164.00</u></u>

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

REF.

ANALYSIS OF NON-BUDGET REVENUE

Rileighs Snowflake Buy Back		\$	4,000.00
Sale of Equipment			19,895.00
Insurance Claims			10,217.86
Interest On Investments			86,966.29
Board of Health - Electronic Death Certificates			140.00
LOSAP - Reimbursement			1,030.00
Insurance Settlement			17,414.03
Division of Motor Vehicles			300.00
Marriage Ceremony Admin Fees			120.00
Senior Citizen & Veteran 2% Administrative Fee			700.00
Miscellaneous			14,815.98
	A-4	\$	<u>155,599.16</u>
Excess Animal Control Reserves	A-13		<u>3,093.60</u>
	A-2	\$	<u><u>158,692.76</u></u>

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS			EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	178,980.00 \$	178,980.00 \$	176,288.26 \$	2,691.74	\$	
Other Expenses	97,000.00	97,000.00	86,713.85	10,286.15		
Mayor and Council:						
Salaries and Wages	30,963.00	30,963.00	30,212.88	750.12		
Other Expenses	12,250.00	12,250.00	10,475.50	1,774.50		
Municipal Clerk:						
Salaries and Wages	104,089.00	104,089.00	86,172.79	17,916.21		
Other Expenses	24,700.00	25,200.00	25,153.41	46.59		
Financial Administration:						
Salaries and Wages	101,937.00	105,937.00	101,963.36	3,973.64		
Other Expenses	76,870.00	76,870.00	51,824.83	25,045.17		
Annual Audit:						
Other Expenses	31,000.00	31,000.00	31,000.00			
Tax Collection:						
Salaries and Wages	81,422.00	81,422.00	78,421.34	3,000.66		
Other Expenses	15,000.00	15,000.00	10,409.82	4,590.18		
Tax Assessment Administration:						
Salaries and Wages	64,000.00	64,000.00	61,794.66	2,205.34		
Other Expenses	19,750.00	19,750.00	19,235.22	514.78		
Legal Services:						
Other Expenses	221,500.00	221,500.00	155,828.58	65,671.42		
Engineering Services:						
Other Expenses	105,000.00	105,000.00	69,099.48	35,900.52		
Downtown Development:						
Salaries and Wages	1,200.00	1,200.00	700.00	500.00		
Other Expenses	20,000.00	20,000.00	11,753.44	8,246.56		

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET						
GENERAL GOVERNMENT (CONTINUED)							
Historic Sites Office:							
Salaries and Wages	\$ 1,200.00	\$	1,200.00	\$ 400.00	\$	800.00	\$
Other Expenses	40,300.00		40,300.00	3,517.75		36,782.25	
Planning and Zoning Board Adjustment:							
Salaries and Wages	24,750.00		24,750.00	23,849.48		900.52	
Other Expenses	9,150.00		9,150.00	1,817.25		7,332.75	
Insurance:							
General Liability	192,500.00		192,500.00	192,139.70		360.30	
Workers Compensation	158,355.00		158,355.00	157,638.84		716.16	
Employee Group Health	1,120,486.00		1,120,486.00	1,054,995.34		65,490.66	
Health Benefits Waiver	9,000.00		9,000.00	7,500.00		1,500.00	
PUBLIC SAFETY							
Police:							
Salaries and Wages	2,792,556.00		2,792,556.00	2,579,951.80		212,604.20	
Other Expenses	310,600.00		310,600.00	276,733.11		33,866.89	
Office of Emergency Management:							
Salaries and Wages	6,500.00		6,500.00	6,000.00		500.00	
Other Expenses	29,500.00		29,500.00	15,016.43		14,483.57	
First Aid Organization - Contribution	61,600.00		61,600.00	30,800.00		30,800.00	
Fire Department:							
Other Expenses	280,300.00		280,300.00	280,240.63		59.37	
Aid to Fire Department	27,500.00		27,500.00	27,499.99		0.01	
Uniform Fire Safety:							
Salaries and Wages	125,850.00		125,850.00	121,334.01		4,515.99	
Other Expenses	8,550.00		8,550.00	4,514.51		4,035.49	

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET						
<u>PUBLIC WORKS</u>							
Railroad Parking:							
Salaries and Wages	\$ 177,159.00	\$	151,659.00	\$ 130,142.13	\$	21,516.87	\$
Other Expenses	63,500.00		63,500.00	52,589.97		10,910.03	
Streets and Road Maintenance:							
Salaries and Wages	486,018.00		466,018.00	432,439.31		33,578.69	
Other Expenses	113,425.00		113,425.00	72,690.78		40,734.22	
Shade Tree Commission:							
Salaries and Wages	1,200.00		1,200.00	1,100.00		100.00	
Other Expenses	28,800.00		38,800.00	35,695.75		3,104.25	
Solid Waste Collection:							
Salaries and Wages	6,000.00		6,000.00	5,811.61		188.39	
Other Expenses	792,900.00		792,900.00	491,610.68		301,289.32	
Buildings and Grounds:							
Salaries and Wages	56,050.00		56,050.00	55,884.68		165.32	
Other Expenses	91,100.00		106,100.00	97,219.02		8,880.98	
Vehicle Maintenance:							
Other Expenses	82,500.00		92,500.00	81,158.46		11,341.54	
<u>HEALTH AND HUMAN SERVICES</u>							
Board of Health:							
Salaries and Wages	5,655.00		5,655.00	5,301.84		353.16	
Other Expenses	42,300.00		42,300.00	27,191.70		15,108.30	
Environmental Commission:							
Salaries and Wages	2,500.00		2,500.00	192.00		2,308.00	
Other Expenses							

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>APPROPRIATIONS</u>		<u>BUDGET AFTER</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>	<u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>	<u>BALANCE</u>
<u>PARK AND RECREATION</u>							
Recreation Services and Programs:							
Salaries and Wages	\$ 40,800.00	\$ 40,800.00	\$ 40,800.00	\$ 40,800.00	\$ 636.99		\$
Other Expenses	79,900.00	85,900.00	85,263.01				
<u>OTHER COMMON OPERATING FUNCTIONS</u>							
Accumulated Sick Leave	57,000.00	57,000.00	21,000.00		36,000.00		
<u>STATE UNIFORM CONSTRUCTION CODE OFFICIALS</u>							
Construction Code Official:							
Other Expenses	100.00	100.00			100.00		
Division of Property Maintenance							
Other Expenses	50.00	50.00			50.00		
<u>UNCLASSIFIED</u>							
Utility Expenses and Bulk Purchases	354,377.00	354,377.00	269,223.34		85,153.66		
Utilities	120,000.00	120,000.00	112,149.55		7,850.45		
Street Lighting							
Total Operations Within "CAPS"	8,985,692.00	8,985,692.00	7,808,460.09		1,177,231.91		
<u>CONTINGENT</u>	1,000.00	1,000.00			1,000.00		
<u>TOTAL OPERATIONS INCLUDING CONTINGENT</u>	8,986,692.00	8,986,692.00	7,808,460.09		1,178,231.91		
<u>WITHIN "CAPS"</u>							

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Public Employees Retirement System of New Jersey	\$ 229,047.20	\$ 229,047.20	\$ 229,047.20	\$	
Police and Firemen's Retirement System of New Jersey	929,185.00	929,185.00	929,185.00		
State Unemployment Insurance	10,000.00	10,000.00		10,000.00	
Defined Contribution Retirement Plan	18,000.00	18,000.00	14,986.23	3,003.77	
Social Security System (O.A.S.I.)	180,000.00	180,000.00	155,790.12	24,209.88	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	1,366,232.20	1,366,232.20	1,329,018.55	37,213.65	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	10,352,924.20	10,352,924.20	9,137,478.64	1,215,445.56	
OPERATIONS - EXCLUDED FROM "CAPS"					
Monmouth County 9-1-1 Program:					
Other Expenses	11,000.00	11,000.00	11,000.00		
Maintenance of Joint Free Public Library:	464,792.00	464,792.00	464,792.00		
Length of Service Award Program					
Other Expenses	45,000.00	45,000.00	38,315.00	6,685.00	
Reserve for Tax Appeals	100,000.00	100,000.00		100,000.00	
Police and Firemen's Retirement System of NJ	2,281.00	2,281.00	2,281.00		
Gas and Diesel	15,123.00	15,123.00	15,123.00		
Worker's Compensation	7,645.00	7,645.00	7,645.00		
Employee Group Health	181,214.00	181,214.00	181,214.00		
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	827,055.00	827,055.00	720,370.00	106,685.00	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
HAM Program - Aberdeen Township	30,500.00	30,500.00	30,500.00		
Shared Service - Municipal Court - Aberdeen					
Other Expenses	153,000.00	153,000.00	24,000.00	129,000.00	
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS	183,500.00	183,500.00	54,500.00	129,000.00	

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
	\$	908.80	\$	908.80	\$
<u>PUBLIC/PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Alcohol Education and Rehabilitation Fund		1,842.93		1,842.93	
Body Armor Fund		36,103.32		36,103.32	
Clean Communities Program		20,205.52		20,205.52	
Recycling Tonnage Grant		74,000.00		74,000.00	
Local Recreation Improvement Grant		15,000.00		15,000.00	
2023 Spotted Lantern Fly (40A:4-87 + \$15,000)		97,000.00		97,000.00	
2023 County Open Space - Clinton St Park 1 (40A:4-87 + \$97,000)		192,000.00		192,000.00	
2023 County Open Space - Clinton St Park 2 (40A:4-87 + \$192,000)		33,964.00		33,964.00	
Historic Preservation Grant - Burrows Mansion 1 (40A:4-87 + \$33,964)		149,377.00		149,377.00	
Historic Preservation Grant - Burrows Mansion 2 (40A:4-87 + \$149,377)		620,401.57		620,401.57	
<u>TOTAL PUBLIC/PRIVATE PROGRAMS OFFSET BY REVENUES</u>		1,143,615.57		1,395,271.57	235,665.00
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>					
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund		200,000.00		200,000.00	
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>		200,000.00		200,000.00	
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal		915,000.00		915,000.00	16,325.64
Interest on Bonds		525,000.00		508,674.36	
Monmouth County Improvement Authority		475,000.00		379,000.00	96,000.00
Principal Interest		125,000.00		92,822.07	32,177.93
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>		2,040,000.00		1,895,496.43	144,503.57

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

BOROUGH OF MATAWAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS":					
Deferred Charges:					
Special Emergency Authorization	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$	
Special Emergency Authorization	315,000.00	315,000.00	315,000.00		
Ordinance 85-23/86-21/03-11	23,392.67	23,392.67	23,392.67		
Ordinance 06-18/13-19/18-15	56,263.18	56,263.18	56,263.18		
Ordinance 19-24/20-09	56,891.13	56,891.13	56,891.13		
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM CAPS	468,546.98	468,546.98	468,546.98		
TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	\$ 3,852,162.55	\$ 4,339,503.55	\$ 3,959,314.98	\$ 235,685.00	\$ 144,503.57
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	14,205,086.75	14,692,427.75	13,096,793.62	1,451,130.56	144,503.57
	730,000.00	730,000.00	730,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 14,935,086.75	\$ 15,422,427.75	\$ 13,826,793.62	\$ 1,451,130.56	\$ 144,503.57

REF. A-1 A-A-1

Appropriations
Appropriation by 40A: 4-87

Reserve for Uncollected Taxes
Emergency Authorization
Emergency Authorization
Reserve for Encumbrances
Grants Appropriated
Cash Disbursements
Less: Refunds

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

BOROUGH OF MATAWAN
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED</u> FROM "CAPS"					
Deferred Charges:					
Special Emergency Authorization	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$	
Special Emergency Authorization	315,000.00	315,000.00	315,000.00		
Ordinance 85-23/86-21/03-11	23,392.67	23,392.67	23,392.67		
Ordinance 06-18/13-19/18-15	58,263.18	58,263.18	58,263.18		
Ordinance 19-24/20-09	56,891.13	56,891.13	56,891.13		
<u>TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED</u> FROM CAPS	468,546.98	468,546.98	468,546.98		
<u>TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"</u>	\$ 3,852,162.55	\$ 4,339,503.55	\$ 3,959,314.98	\$ 235,685.00	\$ 144,503.57
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	14,205,086.75	14,692,427.75	13,096,793.62	1,451,130.56	144,503.57
	730,000.00	730,000.00	730,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 14,935,086.75	\$ 15,422,427.75	\$ 13,826,793.62	\$ 1,451,130.56	\$ 144,503.57

REF.	A-2	A-1	A.A-1
Appropriations			
Appropriation by 40A: 4-87	\$ 14,935,086.75		
	487,341.00		
	\$ 15,422,427.75		
Reserve for Uncollected Taxes		\$ 730,000.00	
Emergency Authorization		15,000.00	
Emergency Authorization		315,000.00	
Reserve for Encumbrances		345,401.79	
Grants Appropriated		620,401.57	
		2,025,803.36	
Cash Disbursements	\$ 11,894,389.68		
Less: Refunds	93,399.42		
		11,800,990.26	
		\$ 13,826,793.62	

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

"B"

BOROUGH OF MATAWAN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 10,435.80	\$ 7,646.20
		<u>10,435.80</u>	<u>7,646.20</u>
Trust - Other Funds:			
Cash	B-1	\$ 899,109.81	\$ 1,379,440.07
		<u>899,109.81</u>	<u>1,379,440.07</u>
Total Assets		\$ <u>909,545.61</u>	\$ <u>1,387,086.27</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Trust Fund:			
Due State Department of Health	B-3	\$ 2.40	\$
Reserve for Expenditures	B-2	5,097.60	5,616.00
Interfund - Current Fund	B-4	5,123.80	2,030.20
Encumbrances Payable	B-2	212.00	
		<u>10,435.80</u>	<u>7,646.20</u>
Trust - Other Funds:			
Miscellaneous Reserves	B-5	\$ 539,401.98	\$ 1,033,235.24
Payroll Deductions Payable	B-6	74,544.04	37,829.20
Recreation Trust	B-7	49,661.67	43,187.20
Law Enforcement Trust	B-8	9,487.43	1,608.50
Developer's Escrow	B-9	134,171.33	170,959.25
Unemployment	B-10	86,837.93	87,678.16
Federal Asset Forfeiture Fund	B-11	5,005.43	4,942.52
		<u>899,109.81</u>	<u>1,379,440.07</u>
		\$ <u>909,545.61</u>	\$ <u>1,387,086.27</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,059,218.01	\$ 426,132.77
Deferred Capital Lease Obligations	C-11	2,795,000.00	1,956,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	16,409,000.00	15,844,000.00
Unfunded	C-5	3,651,963.55	5,047,729.51
Grants Receivable	C-7	967,202.18	796,202.18
Monmouth County Improvement Authority	C-8	1,896,913.66	1,537,193.54
		<u>\$ 26,779,297.40</u>	<u>\$ 25,607,258.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-9	\$ 2,745,934.97	\$ 2,272,589.51
Unfunded	C-9	3,521,839.90	3,514,469.69
Serial Bonds Payable	C-10	16,409,000.00	15,844,000.00
Capital Improvement Fund	C-12	885,174.76	685,174.76
Contracts Payable	C-13	95,035.71	895,582.21
Capital Lease Obligations Payable	C-14	2,795,000.00	1,956,000.00
Reserve to Pay Debt Service	C-15	24,314.14	24,314.14
Reserve for Road Improvements	C-6	50,000.00	50,000.00
Fund Balance	C-1	252,997.92	365,127.69
		<u>\$ 26,779,297.40</u>	<u>\$ 25,607,258.00</u>

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

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	365,127.69
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2	\$	<u>26,417.21</u>
			391,544.90
Decreased by:			
Anticipated as Revenue in Current Fund	C-2		<u>138,546.98</u>
Balance, December 31, 2023	C:C-3	\$	<u><u>252,997.92</u></u>

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

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WATER/SEWER UTILITY FUND

BOROUGH OF MATAWAN
WATER/SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>OPERATING FUND:</u>			
Cash	D-6	\$ 1,525,795.18	\$ 957,748.60
Change Fund	D-8	50.00	50.00
Interfund Receivable	D-30	<u>499,680.58</u>	<u>185,000.00</u>
		<u>2,025,525.76</u>	<u>1,142,798.60</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-9	350,495.39	301,172.71
Utility Liens Accounts Receivable		<u>361.60</u>	<u>361.60</u>
	D	<u>350,856.99</u>	<u>301,534.31</u>
<u>TOTAL OPERATING FUND</u>		<u>2,376,382.75</u>	<u>1,444,332.91</u>
<u>ASSESSMENT TRUST FUND:</u>			
Due from Water/Sewer Utility Capital Fund	D-17	\$ <u>4,959.69</u>	\$ <u>4,959.69</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>		<u>4,959.69</u>	<u>4,959.69</u>
<u>CAPITAL FUND:</u>			
Cash	D-6:D-7	\$ 2,732,776.94	\$ 159.23
Infrastructure Loan Receivable	D-16	132,535.00	132,535.00
Fixed Capital	D-18	18,835,015.39	18,835,015.39
Fixed Capital Authorized and Uncompleted	D-19	18,362,353.86	18,362,353.86
Interfunds Receivable	D-27	<u>754,680.58</u>	<u> </u>
<u>TOTAL CAPITAL FUND</u>		<u>40,817,361.77</u>	<u>37,330,063.48</u>
<u>TOTAL ASSETS</u>		<u>\$ 43,198,704.21</u>	<u>\$ 38,779,356.08</u>

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

BOROUGH OF MATAWAN
WATER/SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	D-5:D-10	\$ 153,798.87	\$ 396,141.03
Water/Sewer Utility Overpayments	D-11	11,446.48	14,541.89
Encumbrances Payable	D-13	110,094.08	63,481.15
Accrued Interest on Bonds and Notes	D-14	85,970.69	74,875.91
Accounts Payable	D-15	21,360.75	16,940.75
Interfunds Payable	D-30	754,680.58	
Prepaid Water/Sewer Charges	D-12	3,588.07	6,532.82
		<u>1,140,939.52</u>	<u>572,513.55</u>
Reserve for Receivables	D	350,856.99	301,534.31
Fund Balance	D-1	<u>884,586.24</u>	<u>570,285.05</u>
		<u>2,376,382.75</u>	<u>1,444,332.91</u>
<u>TOTAL OPERATING FUND</u>			
<u>ASSESSMENT TRUST FUND:</u>			
Fund Balance	D-3	\$ 4,959.69	\$ 4,959.69
		<u>4,959.69</u>	<u>4,959.69</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>			
<u>CAPITAL FUND:</u>			
Contracts Payable	D-20	\$ 1,360,724.12	\$ 3,301,441.16
Reserve For Amortization	D-21	23,709,022.23	22,246,143.75
Reserve for Deferred Amortization	D-22	487,505.47	487,505.47
Capital Improvement Fund	D-23	990,600.00	875,600.00
Improvement Authorizations:			
Funded	D-24	742,441.98	746,147.83
Unfunded	D-24	409,109.93	900,069.33
Serial Bonds Payable	D-25	9,608,000.00	5,233,000.00
Infrastructure Loan Payable	D-26	2,980,705.50	3,325,583.98
Interfunds Payable	D-27	4,959.69	189,959.69
Reserve for Debt Service	D-28	2,799.13	2,799.13
Reserve for Capital Outlay	D-29	499,680.58	
Fund Balance	D-2	<u>21,813.14</u>	<u>21,813.14</u>
		<u>40,817,361.77</u>	<u>37,330,063.48</u>
		<u>40,817,361.77</u>	<u>37,330,063.48</u>
		<u>\$ 43,198,704.21</u>	<u>\$ 38,779,356.08</u>

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

BOROUGH OF MATAWAN
WATER/SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS
AND CHANGE IN OPERATING FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2023</u>	YEAR ENDED DECEMBER <u>31, 2022</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-4	\$ 156,131.67	\$ 156,131.67
Water/Sewer Rents	D-4	5,649,158.22	5,372,709.03
ARPA Funds Received	D-4	499,680.58	94,093.18
Miscellaneous	D-4	31,003.15	10,649.40
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	110,153.54	216,488.49
Accrued Interest Cancelled	D-14	20,963.08	2,293.69
Accounts Payable Cancelled			860.00
		<u>6,467,090.24</u>	<u>5,853,225.46</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-5	\$ 4,165,715.00	\$ 4,078,570.33
Debt Service	D-5	1,093,000.00	1,060,654.48
Deferred Charges and Statutory Expenditures	D-5	123,261.80	123,765.60
Capital Improvements	D-5	614,680.58	20,000.00
Deficit in Prior Year Operations			80,002.31
		<u>5,996,657.38</u>	<u>5,362,992.72</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue		\$ 470,432.86	\$ 490,232.74
Fund Balance, January 1	D	570,285.05	236,183.98
		<u>1,040,717.91</u>	<u>726,416.72</u>
Decreased by:			
Utilized as Anticipated Revenue	D-1	156,131.67	156,131.67
		<u>156,131.67</u>	<u>621,869.19</u>
Fund Balance, December 31	D	<u>884,586.24</u>	<u>570,285.05</u>

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

BOROUGH OF MATAWAN
WATER/SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2022 and and December 31, 2023	D	\$ <u>21,813.14</u>

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

BOROUGH OF MATAWAN
WATER/SEWER UTILITY ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2022 and and December 31, 2023	D	\$ <u><u>4,959.69</u></u>

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

BOROUGH OF MATAWAN

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Surplus	D-1	\$ 156,131.67	\$ 156,131.67	
Rents	D-1;D-4	5,081,576.07	5,081,576.07	
Additional Rents	D-1;D-4	264,269.06	567,582.15	303,313.09
ARPA Funds Received	D-1;D-6	499,680.58	499,680.58	
Miscellaneous	D-1;D-4		31,003.15	31,003.15
	D-5	\$ <u>6,001,657.38</u>	\$ <u>6,335,973.62</u>	<u>334,316.24</u>

ANALYSIS OF RENTS

Rents	D-9	\$ 5,628,083.51
Prepays Applied	D-9	6,532.82
Overpayments Applied	D-9	<u>14,541.89</u>
	D-4	\$ <u>5,649,158.22</u>
Miscellaneous:		
Interest on Investments		\$ 9,291.30
Miscellaneous		<u>21,711.85</u>
	D-4;D-6	\$ <u>31,003.15</u>

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

BOROUGH OF MATAWAN

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATING:					
Salaries and Wages	\$ 902,625.00	\$ 857,625.00	\$ 853,249.98	\$ 4,375.02	\$
Other Expenses	1,646,815.00	1,691,815.00	1,689,140.28	22,674.72	
Acquisition of Water	440,000.00	440,000.00	313,252.03	126,747.97	
Bayshore Regional Sewage Authority	1,176,275.00	1,176,275.00	1,176,273.84	1.16	
TOTAL OPERATING	4,165,715.00	4,165,715.00	4,011,916.13	153,798.87	\$
CAPITAL IMPROVEMENTS:					
Capital Improvement Fund	\$ 115,000.00	\$ 115,000.00	\$ 115,000.00	\$	\$
Capital Outlay	499,680.58	499,680.58	499,680.58		
	614,680.58	614,680.58	614,680.58		\$
DEBT SERVICE:					
Payment of Bonds	\$ 510,000.00	\$ 510,000.00	\$ 505,000.00	\$	\$ 5,000.00
Interest on Bonds	200,000.00	200,000.00	200,000.00		
Water Treatment Loan Principal	350,000.00	350,000.00	350,000.00		
Water Treatment Loan Interest	38,000.00	38,000.00	38,000.00		
TOTAL DEBT SERVICE	1,098,000.00	1,098,000.00	1,093,000.00		\$ 5,000.00
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	\$ 57,261.80	\$ 57,261.80	\$ 57,261.80	\$	\$
Social Security (OASDI)	66,000.00	66,000.00	66,000.00		
TOTAL STATUTORY EXPENDITURES	123,261.80	123,261.80	123,261.80		\$
	6,001,657.38	6,001,657.38	5,842,858.51	153,798.87	\$ 5,000.00

REF.

D-4

D-1

D-D-1

Cash Disbursements
Encumbrances Payable
Accrued Interest on Bonds and Notes

D-6
D-13
D-14

\$ 5,494,764.43
110,094.08
238,000.00

\$ 5,842,858.51

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

GENERAL FIXED ASSET ACCOUNT GROUP

"E"

BOROUGH OF MATAWAN

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2022</u>
Fixed Assets:		
Land	\$ 14,258,100.00	\$ 14,258,100.00
Buildings	9,276,100.00	9,276,100.00
Machinery and Equipment	<u>7,247,053.50</u>	<u>7,145,547.00</u>
<u>Total Fixed Assets</u>	\$ <u>30,781,253.50</u>	\$ <u>30,679,747.00</u>
Reserve:		
Investments in General Fixed Assets	\$ <u>30,781,253.50</u>	\$ <u>30,679,747.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MATAWAN

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Matawan was formed as a borough on June 28, 1895, from portions of Matawan Borough (now Aberdeen Borough), based on results of a referendum held that day. Matawan expanded with portions of Matawan Borough in 1931 and 1933, and from Madison Borough (now Old Bridge Borough) in 1939. The Borough of Matawan is governed under the Borough form of New Jersey government, a Mayor and Borough Council

Except as noted below, the financial statements of the Borough of Matawan include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Matawan, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Matawan do not include the operations of the municipal library, parking authority, volunteer fire departments and first aid squads or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

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

The accounting policies of the Borough of Matawan conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Matawan are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups.

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

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

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

Water/Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Water/Sewer utility

General Fixed Asset Account Group - Utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31st, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C 5:30.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

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

Fixed Capital - Water/Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

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. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

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

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

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

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2023 was not available, therefore the information dated June 30, 2022 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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

Leases

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

E. Volunteer Length of Service Award Plan

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of the "Length of Service Award Plan Under Section 457€11 of the Internal Revenue Code".

The LOSAP Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as part of our audit of the Borough's financial statements.

N.J.A.C.5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also requires public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Matawan had the following cash and cash equivalents at December 31, 2023:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$15,536,465.19	(\$644,009.92)		\$14,892,455.27
Change Funds			300.00	300.00
	<u>\$15,536,465.19</u>	<u>(\$644,009.92)</u>	<u>\$300.00</u>	<u>\$14,892,755.27</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

The Borough has no foreign currency risk exposure.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

As of December 31, 2023, the Borough's bank balance of \$15,536,465.19 was insured or collateralized as follows:

Insured Under FDIC and GUDPA	\$15,326,128.02
Uninsured and Uncollateralized - Escrow Accounts	<u>210,337.17</u>
	<u>\$15,536,465.19</u>

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2023, the Borough had no funds set aside for investment purposes.

NOTE 3: GOVERNMENTAL DEBT

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

LONG-TERM DEBT

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2023</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
Issued:			
General:			
Bonds, Notes and Loans	\$16,409,000.00	\$15,844,000.00	\$16,728,081.20
Water/Sewer Utility:			
Bonds, Notes and Loans	<u>12,588,705.50</u>	<u>8,558,583.98</u>	<u>9,378,238.46</u>
Net Debt Issued	<u>\$28,997,705.50</u>	<u>\$24,402,583.98</u>	<u>\$26,106,319.66</u>
Less: Reserve to Pay Bonds	24,314.14		
Net Debt Issued	<u><u>\$28,973,391.36</u></u>	<u><u>\$24,402,583.98</u></u>	<u><u>\$26,106,319.66</u></u>
 <u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	\$3,651,963.55	\$5,047,729.51	\$4,177,510.53
Water/Sewer Utility:			
Bonds and Notes and Loans	<u>412,136.05</u>	<u>5,905,136.05</u>	<u>2,090,136.05</u>
Total Authorized But Not Issued	<u>4,064,099.60</u>	<u>6,267,646.58</u>	<u>6,410,286.53</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u><u>\$33,037,490.96</u></u>	<u><u>\$30,670,230.56</u></u>	<u><u>\$32,516,606.19</u></u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT

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 1.438%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$22,791,000.00	\$22,791,000.00	-0-
Water Sewer Utility Debt	13,000,841.55	13,000,841.55	-0-
General Debt	20,060,963.55	24,314.14	20,036,649.41
	<u>\$55,852,805.10</u>	<u>\$35,816,155.69</u>	<u>\$20,036,649.41</u>

NET DEBT \$20,036,649.41 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$1,393,407,195.67 EQUALS 1.438%.

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

Equalized Valuation Basis* - December 31, 2023	\$1,393,407,195.67
3-1/2 of Equalized Valuation Basis	48,769,251.85
Net Debt	20,036,649.41
Remaining Borrowing Power	<u>\$28,732,602.44</u>

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

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

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year		\$ 5,836,293.04
Deductions:		
Operating and Maintenance Cost	\$ 4,288,976.80	
Debt Service	1,093,000.00	
Total Deductions		<u>5,381,976.80</u>
Excess in Revenues		<u>\$ 454,316.24</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

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

CALENDAR <u>YEAR</u>	<u>PUBLIC IMPROVEMENT</u>		<u>WATER/SEWER UTILITY</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2024	\$1,019,000.00	\$547,266.32	\$678,000.00	\$389,577.01	\$2,633,843.33
2025	1,065,000.00	514,661.13	555,000.00	372,682.62	2,507,343.75
2026	1,110,000.00	476,346.02	550,000.00	350,128.98	2,486,475.00
2027	1,160,000.00	436,313.62	560,000.00	327,392.63	2,483,706.25
2028	1,210,000.00	394,296.78	580,000.00	304,121.97	2,488,418.75
2029	1,280,000.00	350,384.63	605,000.00	279,946.63	2,515,331.25
2030	1,325,000.00	304,397.52	640,000.00	254,546.23	2,523,943.75
2031	1,030,000.00	251,512.50	645,000.00	227,800.25	2,154,312.75
2032	1,085,000.00	215,468.75	415,000.00	208,437.50	1,923,906.25
2033	1,135,000.00	177,625.00	430,000.00	191,687.50	1,934,312.50
2034	1,185,000.00	137,968.75	440,000.00	171,562.50	1,934,531.25
2035	1,230,000.00	107,125.00	460,000.00	154,937.50	1,952,062.50
2036	815,000.00	64,875.00	470,000.00	137,437.50	1,487,312.50
2037	820,000.00	42,937.50	490,000.00	119,343.75	1,472,281.25
2038	820,000.00	20,312.50	445,000.00	98,781.25	1,384,093.75
2039	120,000.00	6,000.00	310,000.00	82,250.00	518,250.00
2040			325,000.00	66,750.00	391,750.00
2041			335,000.00	50,500.00	385,500.00
2042			335,000.00	33,750.00	368,750.00
2043			340,000.00	17,000.00	357,000.00
	<u>\$16,409,000.00</u>	<u>\$4,047,491.02</u>	<u>\$9,608,000.00</u>	<u>\$3,838,633.81</u>	<u>\$33,903,124.83</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

The Public Improvement Bond issues are comprised of the following:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2023</u>
\$3,105,000.00 in General Refunding Obligation Bonds dated October 5, 2016, due in remaining annual installments ranging between \$310,000.00 and \$390,000.00 beginning August 1, 2024 and ending August 1, 2030 with interest of 4.000%	\$2,430,000.00
\$5,275,000.00 in General Improvement Bonds dated February 23, 2017, due in remaining annual installments ranging between \$245,000.00 and \$425,000.00 beginning February 15, 2024 and ending February 15, 2035 with interest of 5.000%	3,935,000.00
\$9,669,000.00 in General Improvement Bonds dated June 3, 2020, due in remaining annual installments ranging between \$404,000.00 and \$700,000.00 beginning June 1, 2024 and ending June 1, 2038 with interest from 2.250% to 2.375%	8,564,000.00
\$1,480,000.00 in General Improvement Bonds dated December 21, 2023, due in remaining annual installments ranging between \$60,000.00 and \$120,000.00 beginning December 1, 2024 and ending December 1, 2039 with interest of 5.00%	<u>1,480,000.00</u>
	<u>\$16,409,000.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

The Water/Sewer Utility Bonds are comprised of the following issues:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER <u>31, 2023</u>
\$1,830,000.00 in Water/Sewer Refunding Obligation Bonds dated May 22, 2012, due in one remaining installment of \$175,000.00 on December 1, 2024 with interest of 5.000%	4175,000.00
\$2,465,000.00 in Water/Sewer Refunding Obligation Bonds dated October 5, 2016, due in remaining annual installments ranging between \$215,000.00 and \$270,000.00 beginning August 1, 2024 and ending December 1, 2031 with interest from 3.000% to 4.000%	1,975,000.00
\$800,000.00 in Water/Sewer Improvement Bonds dated February 23, 2017, due in remaining annual installments ranging between \$30,000.00 and \$60,000.00 beginning February 15, 2024 and ending February 15, 2037 with interest of 5.000%	620,000.00
\$2,203,000.00 in Water/Sewer Improvement Bonds dated June 3, 2020, due in remaining annual installments ranging between \$88,000.00 and \$150,000.00 beginning June 1, 2024 and ending June 1, 2038 with interest from 2.250% to 2.375%	1,958,000.00
\$4,880,000.00 in Water/Sewer Improvement Bonds dated December 21, 2023, due in remaining annual installments ranging between \$170,000.00 and \$340,000.00 beginning December 1, 2024 and ending December 1, 2043 with interest of 5.00%	<u>4,880,000.00</u>
	<u><u>\$9,608,000.00</u></u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

New Jersey Infrastructure Bank Loan

The Borough has also entered into three loan agreements funded by the New Jersey Infrastructure Bank. All loans have been recorded in the Water Sewer Utility Capital Fund. The first loan is dated October 15, 2001 for Water/Sewer Improvements. The agreement provides for an interest bearing loan from the Trust not to exceed \$1,400,000.00 at interest from 4.00% to 5.00% and an interest free loan not to exceed \$1,400,000.00. The second loan is dated April 12, 2012 for Water/Sewer Improvements. This agreement provides for an interest bearing loan from the Trust not to exceed \$1,300,000.00 at interest from 3.00% to 5.00% and an interest free loan not to exceed \$4,012,140.00. The third loan is dated June 30, 2014 for Water/Sewer Improvements. This agreement provides for an interest bearing loan from the Trust not to exceed \$232,399.00 at interest from 0.16% to 3.24% and an interest free loan not to exceed \$660,685.00.

Following are the maturities and debt schedule for the outstanding principal and interest on the loans:

Water/Sewer Utility Capital Loan Dated April 12, 2012				
Calendar	Trust Loan		Fund Loan	
Year	Principal	Interest	Principal	Total
2024	\$80,000.00	\$26,746.26	\$222,896.65	\$329,642.91
2025	80,000.00	22,746.26	222,896.65	325,642.91
2026	85,000.00	18,746.26	222,896.65	326,642.91
2027	90,000.00	14,496.26	222,896.65	327,392.91
2028	90,000.00	11,796.26	222,896.65	324,692.91
2029	95,000.00	9,096.26	222,896.65	326,992.91
2030	95,000.00	6,127.50	222,896.65	324,024.15
2031	95,000.00	3,087.50	222,896.65	320,984.15
	<u>\$710,000.00</u>	<u>\$112,842.56</u>	<u>\$1,783,173.20</u>	<u>\$2,606,015.76</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

New Jersey Infrastructure Bank Loan (Continued)

Water/Sewer Utility Capital Loan Dated June 30, 2012				
Calendar	Trust Loan		Fund Loan	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2024	\$11,836.00	\$3,838.42	\$35,393.83	\$51,068.25
2025	12,106.00	3,568.54	35,393.83	51,068.37
2026	12,400.00	3,274.36	35,393.83	51,068.19
2027	12,724.00	2,950.72	35,393.83	51,068.55
2028	13,074.00	2,600.80	35,393.83	51,068.63
2029	13,445.00	2,229.48	35,393.83	51,068.31
2030	13,847.00	1,827.46	35,393.83	51,068.29
2031	14,267.00	1,407.88	35,393.83	51,068.71
2032	14,712.00	962.74	35,393.83	51,068.57
2033	15,183.00	491.94	35,393.83	51,068.77
	<u>\$133,594.00</u>	<u>\$23,152.34</u>	<u>\$353,938.30</u>	<u>\$510,684.64</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2023, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$3,651,963.55</u>
Water/Sewer Utility Capital Fund	<u>\$ 412,136.05</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SHORT-TERM DEBT

CAPITAL LEASE OBLIGATIONS

The Borough participates in the Monmouth County Improvement Authority ("Authority") Capital Equipment Lease Program ("Program"). Under the Program, the Borough purchases equipment with the proceeds of an Authority bond issue and then pays the Authority in the form of lease payments

Debt Service requirements for Capital Lease obligations during the next several years are summarized as follows:

CALENDAR			
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2024	\$522,000.00	\$129,546.67	\$651,546.67
2025	517,000.00	110,890.00	627,890.00
2026	517,000.00	85,770.00	602,770.00
2027	392,000.00	61,530.00	453,530.00
2028	330,000.00	42,140.00	372,140.00
2029	199,000.00	25,850.00	224,850.00
2030	87,000.00	15,900.00	102,900.00
2031	90,000.00	11,550.00	101,550.00
2032	69,000.00	7,050.00	76,050.00
2033	72,000.00	3,600.00	75,600.00
	<u>\$2,795,000.00</u>	<u>\$493,826.67</u>	<u>\$3,288,826.67</u>

NOTE 4: FUND BALANCES APPROPRIATED

As of the date of this report the 2024 Budget had not been introduced.

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, <u>2023</u>	BALANCE DECEMBER 31, <u>2022</u>
Prepaid Taxes	<u>\$203,468.77</u>	<u>\$192,109.87</u>

NOTE 6: PENSION PLANS

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

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

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2023, 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. During 2023, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2022, the State contributed an amount less than the actuarially determined amount. During 2022, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Borough's share of regular pension costs, which is based upon the annual billings received from the State, amounted to \$286,309 for 2023 \$293,828 for 2022, and \$307,611.00 for 2021.

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

Certain Borough employees are also covered by Federal Insurance Contribution Act.

NOTE 6: PENSION PLANS (CONTINUED)

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2012, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2009. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Borough has elected to defer a portion of its pension contributions as follows:

<u>Retirement System</u>	<u>Original Amount Deferred</u>	<u>Balance December 31, 2022</u>	<u>2023 Payments</u>	<u>Balance December 31, 2023</u>
PFRS	\$ 215,447.50	\$ 52,098.00	\$ 24,986.00	\$ 27,112.00
PERS	<u>63,548.00</u>	<u>15,831.00</u>	<u>7,599.00</u>	<u>8,232.00</u>
Total	\$ <u>278,995.50</u>	\$ <u>67,929.00</u>	\$ <u>32,585.00</u>	\$ <u>35,344.00</u>

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “ Accounting and Financial Reporting for Public Employees Pensions which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that years budget and no liability is accrued at December 31, 2022.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$3,307,147.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0219141536 percent, which was a decrease of 0.0022913859 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$198,515.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$283,475.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 23,869.00	\$ 21,049.00
Changes of assumptions	10,247.00	495,211.00
Net difference between projected and actual earnings on pension plan investments	136,880.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>422,381.00</u>	<u>746,676.00</u>
	<u>\$ 593,377.00</u>	<u>\$ 1,262,936.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Public Employees Retirement System (PERS)

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2023	(\$348,543.00)
2024	(209,386.00)
2025	(135,342.00)
2026	88,909.00
2027	<u>(65,197.00)</u>
	<u>(\$669,559.00)</u>

Actuarial Assumptions

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

	<u>June 30, 2022</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Public Employees Retirement System (PERS)

Actuarial Assumptions (Continued)

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$4,248,716.00	\$3,307,147.00	\$2,505,835.00

Pension plan fiduciary net position

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2022, the State reported a net pension liability of \$7,909,517.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2022, the Borough's proportion was 0.0691007400 percent, which was a decrease of 0.00500732 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension expense of \$76,968.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$863,703.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 358,006.00	\$ 484,565.00
Changes of assumptions	21,677.00	995,652.00
Net difference between projected and actual earnings on pension plan investments	724,279.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>695,546.00</u>	<u>827,275.00</u>
	<u>\$ 1,799,508.00</u>	<u>\$ 2,307,492.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Year Ended		<u>Amount</u>
<u>June 30</u>		
2023	\$	(421,947.80)
2024		(279,159.80)
2025		(267,179.80)
2026		476,718.20
2027		(21,496.80)
Thereafter		<u>5,082.00</u>
	\$	<u>(507,984.00)</u>

Actuarial Assumptions

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

	<u>June 30, 2022</u>
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS' s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	8.00%	11.19%
Real Estate	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

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

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$10,852,711.00	\$7,909,517.00	\$5,459,293.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,407,662.00 and \$1,523,438.00, respectively.

At June 30, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$7,909,517.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,407,662.00</u>
	<u>\$9,317,179.00</u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under the terms of various contracts Borough employees are allowed to accumulate unused vacation and sick leave, which may be taken off or paid at a later date with the exception of vacation leave. It is estimated that the current cost of such unpaid compensation would approximate \$363,618.88. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2023.

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENT LIABILITIES

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

NOTE 10: RISK MANAGEMENT

The Borough 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 Borough participates in a self-insurance program through the Monmouth County Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund is also a member of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance coverage for each of the various risks noted above. The Borough's contribution to the Fund for claim payments is based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

NOTE 10: RISK MANAGEMENT (CONTINUED)

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023		\$4,562.76	\$5,402.99	\$86,837.93
2022	10,000.00	7,370.40	4,439.48	87,678.16
2021	10,000.00	6,869.03	3,324.20	74,747.24

NOTE 11: LENGTH OF SERVICE AWARDS PROGRAM

On July 15, 2003, the Borough of Matawan adopted an ordinance establishing a Length of Service Awards Program for the members of the Matawan Volunteer Fire Department and First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,000.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be provided for annually in the budget of the Borough and is anticipated to be \$35,000.00 per year. The Plan is administrated by VALIC.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are required to be contained in a separate review report.

NOTE 12: DEFERRED COMPENSATION PLAN

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

NOTE 12: DEFERRED COMPENSATION PLAN (CONTINUED):

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

All assets of the plan are held by independent administrators, the Equitable Life Assurance Company, Lincoln Financial.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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

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

Plan Description and Benefits Provided

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

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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

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

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

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

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

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Contributions

The Borough's annual contributions to SHBP for retirees were \$726,548.12 for 2023, \$532,161.94 for 2022, and \$396,783.45 for 2021, which equaled the required contributions for that year.

Total Net OPEB Liability

At June 30, 2022, the Plan reported a Liability of \$13,982,966.00 for the Borough's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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

At June 30, 2022, the Borough's proportion was 0.086584 percent, which was an increase of 0.000842 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State reported OPEB benefit of \$263,978.00. This OPEB benefit was based on the OPEB plans June 30, 2022 measurement date.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$722,095.00	\$2,591,847.00
Changes of assumptions	1,866,085.00	4,772,117.00
Net difference between projected and actual earnings on OPEB plan investments	3,681.00	
Changes in proportion	<u>845,998.00</u>	<u>1,708,193.00</u>
	<u>\$3,437,859.00</u>	<u>\$9,072,157.00</u>

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total OPEB Liability (Continued)

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

Year Ended	Amount
<u>June 30,</u>	
2023	(\$1,439,492.00)
2024	(1,440,611.00)
2025	(1,173,896.00)
2026	(619,695.00)
2027	(272,712.00)
2028-2029	<u>(687,892.00)</u>
	<u>(\$5,634,298.00)</u>

Actuarial Assumptions and Other Inputs

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

	<u>2022</u>
Salary Increases:	
Public Employees Retirement System (PERS):	
Initial Fiscal Year Applied	
Rate for All Future Years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS):	
Rate for All Future Years	3.25% to 16.25%

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

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

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

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

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Borough's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

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

	June 30, 2022		
	1.00% Decrease (2.54%)	At Discount Rate (3.54%)	1.00% Increase (4.54%)
Borough's proportionate share of the Net OPEB Liability	\$16,209,072.21	\$13,982,965.75	\$12,191,854.82

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Borough's Proportionate Share of the OPEB Liability to Changes in Healthcare Trends

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

	June 30, 2022		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$11,862,170.82	\$13,982,965.75	\$16,699,106.86

OPEB Plan Fiduciary Net Position

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

NOTE 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

The following deferred charges are shown on the December 31, 2023 Balance Sheets and will be raised in succeeding years' budget:

	BALANCE DECEMBER <u>31, 2023</u>	2024 BUDGET <u>APPROPRIATION*</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund: N.J.S.A. 40A: 4-53 Revaluation	15,000.00	15,000.00	-0-
	<u>\$15,000.00</u>	<u>\$15,000.00</u>	<u>-0-</u>

*As Introduced

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$5,123.80	\$705,753.45
Animal Control Trust		5,123.80
Water/Sewer Utility Operating Fund	499,680.58	754,680.58
Water/Sewer Utility Assessment Trust Fund	4,959.69	
Water/Sewer Utility Capital Fund	754,680.58	4,959.69
Grant Fund	<u>705,753.45</u>	<u>499,680.58</u>
	<u>\$1,970,198.10</u>	<u>\$1,970,198.10</u>

All balances resulted from the time lag between the dates that payments between funds are made.

NOTE 16: FIXED ASSETS

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

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 14,258,100.00	\$	\$	\$ 14,258,100.00
Building	9,276,100.00			9,276,100.00
Machinery & Equipment	<u>7,212,163.00</u>	<u>44,965.50</u>	<u>10,075.00</u>	<u>7,247,053.50</u>
	<u>\$ 30,746,363.00</u>	<u>\$ 44,965.50</u>	<u>\$ 10,075.00</u>	<u>\$ 30,781,253.50</u>

NOTE 17: LEASE RECEIVABLE

The Borough, as lessor, has entered into the following leases:

- SMSA Cell Tower. The current lease term expires 09/30/25 with three five year extensions available which are likely to be exercised.. The lessee must provide notice of intention to terminate to the lessor not less than sixty days prior to the expiration of any subsequent renewal term. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is 1.52% and is equal to the incremental borrowing rate of the Lessor.
- Cell Tower – Sector Site. The current lease term expires 08/31/25 with two remaining five extension available. The lessee must provide notice of intention to terminate to the lessor not less than thirty days prior to the expiration of any subsequent renewal term. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is 1.34%% and is equal to the incremental borrowing rate of the Lessor.

Under the provisions of GASB 87, in 2022 the Borough would recognize lease revenue of \$107,507.85 and \$30,217.50 of interest revenue under the lease.

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

Year Ending December 31,	Lease Receivable		
	Principal	Interest	Total
2024	\$113,174.00	\$28,683.00	\$141,857.00
2025	119,044.00	27,068.00	146,112.00
2026	125,126.00	25,370.00	150,496.00
2027	131,426.00	23,585.00	155,011.00
2028	137,951.00	21,710.00	159,661.00
2029-2033	796,027.00	77,067.00	873,094.00
2034-2038	520,799.00	25,165.00	545,964.00
2039-2040	131,645.00	1,852.00	133,497.00
	<u>\$2,075,192.00</u>	<u>\$230,500.00</u>	<u>\$2,305,692.00</u>

As discussed in Note 1, New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the lease receivable as an asset on their balance sheets or revenue of the Statement of Revenues.

NOTE 18: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through February 15, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there were no subsequent events that needed to be disclosed.

BOROUGH OF MATAWAN
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2023

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF CASH-TREASURER

REF.		CURRENT FUND	GRANT FUND
		\$	\$
A	Balance, December 31, 2022	7,782,559.24	-0-
	Increased by Receipts:		
A-5	Petty Cash	250.00	
A-2	Miscellaneous Revenue Not Anticipated	155,599.16	
A-3	2023 Appropriations - Refunds	93,398.42	
A-6	Taxes Receivable	33,662,459.70	
A-7	Tax Title Liens	9,518.94	
A-8	Revenue Accounts Receivable	2,373,879.61	
A-11	Due From State of New Jersey Chapter 20, P.L. 1971	35,000.00	
A-12	Appropriation Reserves - Refunds	150.00	
A-13	Interfunds	3,842,471.88	
A-15	Prepaid Taxes	203,920.66	
A-16	Tax Overpayments	127,709.89	
	Reserve for:		
A-14	Railroad Parking	240,346.95	
A-21	Municipal Relief Fund Aid	151,363.91	
A-22	Library State Aid	5,325.00	
A-23	Due State of New Jersey - Marriage License Fees	975.00	
A-29	Grants Receivable		84,117.52
A-31	Grants - Unappropriated		30,191.31
A-32	Grant Interfunds		118,617.88
		40,902,370.12	232,926.71
		48,684,929.36	232,926.71
	Decreased by Disbursements:		
A-3	2023 Appropriations	11,894,389.68	
A-5	Change Fund	250.00	
A-12	2022 Appropriation Reserves	846,082.04	
A-10	Accounts Payable	53,940.02	
A-13	Interfunds	3,799,288.51	
A-16	Tax Overpayments	127,709.89	
A-17	County Taxes Payable	3,154,135.88	
A-18	Regional School Tax Payable	19,953,069.96	
	Refund of:		
A-1	Prior Year Revenue	1,193.34	
	Reserve for:		
A-19	Cannabis License Applications	40,000.00	
A-22	Library State Aid	4,925.00	
A-25	Property Reassessment	10,220.00	
A-14	Railroad Parking	134,625.51	
A-30	Grants - Appropriated		118,617.88
A-32	Grant Interfunds		114,308.83
		40,019,809.83	232,926.71
A	Balance, December 31, 2023	8,665,119.53	-0-

BOROUGH OF MATAWAN
CURRENT FUND
SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	250.00
Increased by:			
Cash Disbursements	A-4		250.00
		\$	<u>500.00</u>
Decreased by:			
Cash Receipts	A-4		250.00
			<u>250.00</u>
Balance, December 31, 2023	A	\$	<u><u>250.00</u></u>
Tax Collector		\$	50.00
Recreation			100.00
Registrar			<u>100.00</u>
		\$	<u><u>250.00</u></u>

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2022	2023 LEVY	COLLECTION BY CASH		CANCELED	TRANSFERRED TO OVERPAYMENTS	TRANSFERRED TO LIENS	BALANCE DECEMBER 31, 2023
			2022	2023				
Prior 2022	\$ 204,077.09	\$ 34,163,201.20	\$ 181,606.43	\$ 205,763.91	\$ 109,456.57	\$ 3.49	\$ 3,237.63	\$ 59.69
				\$ 33,504,695.74				\$ 364,204.83
	\$ 204,077.09	\$ 34,163,201.20	\$ 181,606.43	\$ 33,710,459.65	\$ 109,456.57	\$ 3.49	\$ 3,237.63	\$ 364,264.52
REF.	A		A-2/A-15	A-2			A-7	A

Cash Collector
Due From State of New Jersey Ch. 20, P.L. 1971
Tax Overpayments Applied

\$ 33,662,459.70
37,500.00
10,499.95
33,710,459.65

ANALYSIS OF 2023 PROPERTY TAX LEVY

TAX YIELD
General Purpose Tax
Added Taxes (54-63.1 et seq.)

\$ 34,127,949.76
35,351.44
34,163,201.20

TAX LEVY
Regional School Tax (Abstract)
County Taxes:
County Taxes (Abstract)
Due County for Added Taxes (54-63.1 et seq.)

\$ 20,419,946.00
3,151,455.29
3,273.36
3,154,728.65

Local Tax for Municipal Purposes (Abstract)
Minimum Library Tax
Add: Additional Tax Levied
Local Tax for Municipal Purposes Levied

\$ 10,087,208.16
464,792.00
36,526.39
10,588,526.55

\$ 34,163,201.20

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	16,524.13
Increased by:			
Transferred from 2023 Taxes	A-6	\$	<u>3,237.63</u>
			\$ <u>3,237.63</u>
			\$ 19,761.76
Decreased by:			
Cash Receipts	A-4		<u>9,518.94</u>
Balance, December 31, 2023	A	\$	<u><u>10,242.82</u></u>

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2022	ACCRUED	COLLECTED	BALANCE DECEMBER 31, 2023
	\$	\$		
A-2		21,081.00	21,081.00	\$
A-2		12,809.00	12,809.00	
A-2		4,906.00	4,906.00	
A-2		12,083.00	12,083.00	
A-2		9,175.00	9,175.00	
A-2	1,455.44	43,520.17	40,608.89	4,366.72
A-2		64,693.36	64,693.36	
A-2		109,620.00	109,620.00	
A-2		124,447.90	124,447.90	
A-2		189,876.59	189,876.59	
A-2		1,461,188.93	1,461,188.93	
A-2		12,290.50	12,290.50	
A-2		102,552.46	102,552.46	
A-2		70,000.00	70,000.00	
A-2		138,546.98	138,546.98	
	\$ 1,455.44	\$ 2,376,790.89	\$ 2,373,879.61	\$ 4,366.72
REF.	A		A-4	A

Clerk:

Licenses:

Alcohol Beverages

Other Licenses

Fees and Permits

Police Department:

Fees and Permits

Board of Health & Registrar:

Fees and Permits

Municipal Court:

Fines and Costs

Interest and Costs on Taxes

PILOT - Senior Citizen Housing Complex

Cable TV Franchise Fee

Cell Tower Lease

Energy Receipts Tax

Uniform Construction Code Fees

Uniform Fire Safety Act

Off Duty Police Trust Fund Reserve

Capital Surplus

"A-9"

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	606,603.24
Increased by:			
Transferred from:			
2023 Appropriations	A-3	\$	<u>345,401.79</u>
			345,401.79
Total Increases and Balances		\$	<u>952,005.03</u>
Decreased by:			
Transferred to:			
Appropriation Reserves	A-12		<u>606,603.24</u>
Balance, December 31, 2023	A	\$	<u><u>345,401.79</u></u>

"A-10"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2022	A	\$	101,087.54
Increased by:			
Transferred from:			
Appropriation Reserves	A-12	\$	<u>47,495.33</u>
			148,582.87
Decreased by:			
Cash Disbursements	A-4		<u>53,940.02</u>
Balance, December 31, 2023	A	\$	<u><u>94,642.85</u></u>

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	4,750.00
Increased by:			
Senior Citizens and Veterans Deductions Per Tax Billings		\$	36,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>1,000.00</u>
		\$	<u>37,500.00</u>
			\$ <u>42,250.00</u>
Decreased by:			
Senior Citizens and Veterans Deductions Disallowed by Tax Collector - Prior Years Taxes	A-1	\$	1,750.00
Cash Receipts	A-4		<u>35,000.00</u>
			<u>36,750.00</u>
Balance, December 31, 2023	A	\$	<u><u>5,500.00</u></u>

CALCULATION OF STATE'S SHARE OF
2023 SENIOR CITIZENS DEDUCTIONS
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

	<u>REF.</u>		
Senior Citizens Deductions Per Tax Billings		\$	3,500.00
Veterans Deductions Per Tax Billings			33,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>1,000.00</u>
	A-6	\$	<u><u>37,500.00</u></u>

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
General Administration	\$ 19,660.35	\$ 21,960.35	\$ 21,875.72	\$ 84.63
Mayor and Council	150.28	150.28	150.00	0.28
Municipal Clerk	5,321.15	2,821.15	2,080.34	740.81
Financial Administration (Treasury)	4,646.30	2,346.30	1,852.41	493.89
Tax Collection	161.33	1,161.33	959.70	201.63
Tax Assessment Administration	2,200.83	2,200.83	861.12	1,339.71
Downtown Development:	400.00	400.00	100.00	300.00
Historical Sites Office	1,200.00	1,200.00		1,200.00
Planning Board	829.63	829.63		829.63
Police Department	281,963.01	281,963.01	57,901.71	224,061.30
Office of Emergency Management	5,000.00	1,000.00		1,000.00
Fire	60.82	1,560.82	1,307.40	253.42
Railroad Parking	6,897.68	6,897.68		6,897.68
Streets and Road Maintenance	80,148.95	56,148.95	2,951.13	53,197.82
Shade Tree Commission	100.00	100.00		100.00
Solid Waste Collection	75.76	75.76		75.76
Building And Grounds	10,163.80	10,163.80	1,841.13	8,322.67
Board of Health	350.72	350.72		350.72
Recreation Services and Programs	0.04	0.04		0.04
Construction Code Official	4,336.13	336.13		336.13
Division of Property Maintenance	1,124.97	1,124.97		1,124.97
<u>OTHER EXPENSES:</u>				
General Administration	12,877.95	20,255.56	8,992.69	11,262.87
Mayor and Council	2,880.08	3,137.08	239.94	2,897.14
Municipal Clerk	576.40	4,828.15	4,701.42	126.73
Financial Administration (Treasury)	7,822.33	7,822.33		7,822.33
Annual Audit	366.25	266.25		266.25
Tax Collection	6,168.82	7,768.82	3,600.00	4,168.82

BOROUGH OF MATAWAN
CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

OTHER EXPENSES (CONTINUED):

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	\$	\$	\$	\$
Tax Assessment Administration	1,802.83	11,865.33	10,100.51	1,764.82
Legal Services	1,031.01	50,268.69	44,368.32	5,900.37
Engineering Services	29,476.02	44,050.78	25,037.08	19,013.70
Downtown Development	8,209.86	7,495.16	1,630.30	5,864.86
Historical Sites Office	18,135.94	29,954.94	25,454.00	4,500.94
Planning Board	2,512.20	2,512.20	894.75	1,617.45
Police Department	2,815.19	43,330.08	40,537.27	2,792.81
Office Of Emergency Management	17,909.32	19,709.32	1,800.00	17,909.32
First Aid Organization - Contribution	28,000.00	50,400.00	50,400.00	
Fire	66.83	91,861.55	91,861.55	
Uniform Fire Safety	832.68	1,022.68	190.00	832.68
Railroad Parking	18,228.18	8,393.18	210.10	8,183.08
Streets and Road Maintenance	16,092.88	37,771.50	29,173.13	8,598.37
Shade Tree Commission	37.47	4,898.29	4,644.99	253.30
Solid Waste Collection	235,335.14	527,189.83	297,526.48	229,663.35
Building And Grounds	9,223.47	24,377.05	19,094.66	5,282.39
Vehicle Maintenance	212.26	20,670.56	19,841.41	829.15
Board Of Health	6,458.16	9,937.16	9,074.90	862.26
Environmental Health Services	2,808.00	2,808.00		2,808.00
Recreation Services and Programs	811.81	911.81	903.00	8.81
Construction Code Official	12,368.21	12,368.21	8,750.00	3,618.21
Division of Property Maintenance	200.81	200.81		200.81
Utilities	13,700.40	19,394.92	2,469.82	16,925.10
Street Lighting	7,418.49	7,418.49		7,418.49
Contingent	1,000.00	1,000.00		1,000.00

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>				
Social Security System (O.A.S.I.)	\$ 35,547.61	\$ 35,547.61	\$	\$ 35,547.61
Defined Retirement Contribution Plan	720.34	1,634.94	914.60	720.34
Insurance:				
General Liability	563.48	563.48		563.48
Worker's Compensation Insurance	462.01	462.01		462.01
Employee Group Health	55,670.47	55,787.37	374.66	55,412.71
Health Benefits Waiver	4,500.00	4,500.00	3,000.00	1,500.00
Accumulated Sick Leave	43,500.00	43,500.00	32,256.13	11,243.87
Maintenance of Joint Free Public Library	1.00	1.00		1.00
Length of Service Award Program	35,000.00	38,000.00	37,443.00	557.00
Reserve for Tax Appeals	84,211.04	84,211.04		84,211.04
Interlocal Municipal Service Agreement	16,937.00	42,999.00	26,062.00	16,937.00
	<u>\$ 1,167,283.71</u>	<u>\$ 1,773,886.95</u>	<u>\$ 893,427.37</u>	<u>\$ 880,459.58</u>

A-1

A

REF.

Balance, December 31, 2022	\$	1,167,283.71		
Reserve for Encumbrances		<u>606,603.24</u>		
	\$	<u>1,773,886.95</u>		
Disbursements	\$		846,082.04	
Accounts Payable			47,495.33	
Less: Refunds			<u>150.00</u>	
	\$		<u>893,427.37</u>	

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>WATER/SEWER UTILITY OPERATING FUND</u>
Balance, December 31, 2022					
Due From	A	\$ 2,030.20	\$	2,030.20	\$
Due To	A	\$ 662,550.08	662,550.08	\$	\$
Increased/Decreased by:					
Cash Receipts	A-4	3,842,471.88	736,202.55		490,581.91
2023 Budget Appropriations	A-3	620,401.57	620,401.57		
		<u>4,462,873.45</u>	<u>1,356,604.12</u>	<u>\$</u>	<u>490,581.91</u>
Decreased/Increased by:					
Cash Disbursements	A-4	3,799,268.51	692,999.18		490,581.91
Excess Dog Reserves	A-2	3,093.60		3,093.60	
2023 Budget Revenues Realized	A-2	620,401.57	620,401.57		
		<u>4,422,763.68</u>	<u>1,313,400.75</u>	<u>3,093.60</u>	<u>490,581.91</u>
Balance, December 31, 2023					
Due From	A	\$ 5,123.80	\$	5,123.80	\$
Due To	A	\$ 705,753.45	705,753.45	\$	\$

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF RESERVE FOR RAILROAD PARKING

	<u>REF.</u>		
Balance, December 31, 2022	A		\$ 16,766.57
Increased by:			
Cash Receipts	A-4		<u>240,346.95</u>
			\$ 257,113.52
Decreased by:			
Cash Disbursement	A-4	\$ 134,625.51	
Anticipated as 2023 Revenue	A-2	<u>100,000.00</u>	
			<u>234,625.51</u>
Balance, December 31, 2023	A		<u>\$ 22,488.01</u>

"A-15"

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	192,109.87
Increased by:			
Cash Receipts	A-4		<u>203,920.66</u>
		\$	<u>396,030.53</u>
Decreased by:			
Applied to 2023 Taxes Receivable	A-6	\$	181,606.43
Canceled Taxes			3.49
Transfer to Tax Overpayments	A-16		<u>10,499.95</u>
			<u>192,109.87</u>
Balance, December 31, 2023	A	\$	<u><u>203,920.66</u></u>

"A-16"

SCHEDULE OF TAX OVERPAYMENTS

Increased by:			
Cash Receipts	A-4	\$	127,709.89
Transfer from Prepaid Taxes	A-15		<u>10,499.95</u>
			<u>138,209.84</u>
		\$	<u>138,209.84</u>
Decreased by:			
Cash Disbursements	A-4	\$	127,709.89
Applied to 2023 Taxes Receivable	A-6		<u>10,499.95</u>
		\$	<u><u>138,209.84</u></u>

"A-17"

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance December 31, 2022	A	\$	2,681.37
Increased by:			
2023 Tax Levy	A-1:A-6	\$	3,151,455.29
Added Taxes	A-1:A-6		<u>3,273.36</u>
	A-2		<u>3,154,728.65</u>
		\$	<u>3,157,410.02</u>
Decreased by:			
Cash Disbursements	A-4		<u>3,154,135.88</u>
Balance December 31, 2023	A	\$	<u><u>3,274.14</u></u>

"A-18"

SCHEDULE OF REGIONAL SCHOOL TAX PAYABLE

Balance, December 31, 2022			
School Tax Payable	A	\$	10.20
Increased by:			
Levy School Year - July 1, 2023 to June 30, 2024	A-1:A-2:A-6		<u>20,419,946.00</u>
		\$	<u>20,419,956.20</u>
Decreased by:			
Cash Disbursements	A-4		<u>19,953,069.96</u>
Balance, December 31, 2023			
School Tax Payable	A	\$	<u><u>466,886.24</u></u>
2023 Liability for Regional School Tax:			
Tax Paid		\$	19,953,069.96
Less: School Tax Payable, December 31, 2022			<u>(10.20)</u>
		\$	<u>19,953,059.76</u>
Add: School Tax Payable, December 31, 2023			<u>466,886.24</u>
Amount Charged to 2023 Operations	A-1	\$	<u><u>20,419,946.00</u></u>

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF RESERVE FOR CANNABIS LICENSE APPLICATIONS

	<u>REF.</u>		
Balance, December 31, 2022	A		\$ 72,000.00
Decreased by:			
Applied to Revenues	A-2	\$ 20,000.00	
Cash Disbursements - Refunds	A-4	<u>40,000.00</u>	
			<u>60,000.00</u>
Balance, December 31, 2023	A		\$ <u><u>12,000.00</u></u>

"A-20"

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF RESERVE FOR DAMAGE CLAIMS

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	A	\$ <u>103,460.00</u>

"A-21"

SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF FUND AID

Balance, December 31, 2022	A	\$ 75,698.04
Increased by:		
Cash Receipts	A-4	\$ <u>151,363.91</u>
		\$ 227,061.95
Decreased by:		
Anticipated as 2023 Revenue	A-2	\$ <u>75,698.04</u>
		<u>75,698.04</u>
Balance, December 31, 2023	A	\$ <u>151,363.91</u>

"A-22"

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY STATE AID

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	4,925.00
Increased by:			
Cash Receipts	A-4	\$	<u>5,325.00</u>
			10,250.00
Decreased by:			
Cash Disbursements	A-4		<u>4,925.00</u>
Balance, December 31, 2023	A	\$	<u><u>5,325.00</u></u>

"A-23"

SCHEDULE OF RESERVE FOR DUE STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

Balance, December 31, 2022	A	\$	1,198.00
Increased by:			
Cash Receipts	A-4	\$	<u>975.00</u>
			<u>975.00</u>
Balance, December 31, 2023	A	\$	<u><u>2,173.00</u></u>

"A-24"

SCHEDULE OF RESERVE FOR DEBRIS CLEAN UP

Balance, December 31, 2022 and December 31, 2023	A	\$	<u><u>12,804.05</u></u>
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"A-25"

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF RESERVE FOR PROPERTY REASSESSMENT

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	A	\$ <u>76,079.01</u>

"A-26"

SCHEDULE OF RESERVE FOR MASTER PLAN

Balance, December 31, 2022 and December 31, 2023	A	\$ <u>1,453.25</u>
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BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGE - SPECIAL EMERGENCY AUTHORIZATIONS 40A-4-53

<u>YEAR</u>	<u>PURPOSE</u>	<u>AMOUNT AUTHORIZED</u>	<u>BALANCE DEC. 31, 2022</u>	<u>REDUCED IN 2023</u>	<u>BALANCE DEC. 31, 2023</u>
2019	Property Assessment	\$ 75,000.00	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00
			\$ 30,000.00	\$ 15,000.00	\$ 15,000.00

REF.

A

A-3

A

"A-28"

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGE - SPECIAL EMERGENCY AUTHORIZATIONS 40A:4-45.3

<u>YEAR</u>	<u>PURPOSE</u>	<u>AMOUNT AUTHORIZED</u>	<u>BALANCE DEC. 31, 2022</u>	<u>REDUCED IN 2023</u>
07/05/22	Judgements	\$ 315,000.00	\$ 315,000.00	315,000.00
			\$ 315,000.00	315,000.00

REF.

A

A-3

BOROUGH OF MATAWAN

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2022	2023 BUDGET REVENUE REALIZED	CASH RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2022
State Grants:					
Recycling Tonnage Grant	\$	20,205.52	20,205.52	\$	
Clean Communities Program		36,103.32		36,103.32	
Alcohol Education and Rehabilitation Fund		908.80		908.80	
Body Armor Grant		1,842.93		1,842.93	
CDBG - Street Improvements & ADA Curb Cut and Drainage					
Body Worn Camera Grant	100.88				100.88
Local Grants:	61,140.00		48,912.00		12,228.00
Local Recreation Improvement Grant		74,000.00			74,000.00
2023 Spotted Lantern Fly		15,000.00	15,000.00		
2023 County Open Space - Clinton St Park 1		97,000.00			97,000.00
2023 County Open Space - Clinton St Park 2		192,000.00			192,000.00
Historic Preservation Grant - Burrowes Mansion 1		33,964.00			33,964.00
Historic Preservation Grant - Burrowes Mansion 2		149,377.00			149,377.00
Bayshore DWO Saturation Patrol	666.64				666.64
	<u>\$ 61,907.52</u>	<u>\$ 620,401.57</u>	<u>\$ 84,117.52</u>	<u>\$ 38,855.05</u>	<u>\$ 559,336.52</u>
REF.	A	A-2; A-32	A-4	A-31	A

BOROUGH OF MATAWAN

GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2022	MODIFIED	TRANSFERRED FROM 2023 BUDGET APPROPRIATIONS	EXPENDED	ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2023
State Grants:						
Recycling Tonnage Grant	\$ 52,632.98	\$ 53,141.18	\$ 20,205.52	\$ 14,628.96	\$ 1,745.00	\$ 56,972.74
Clean Communities Program	58,680.94	60,330.94	36,103.32	32,937.50	7,482.25	56,014.51
Alcohol Education and Rehabilitation Fund	5,125.10	5,125.10	908.80			6,033.90
Historical Sites Grant	13,071.00	13,071.00				13,071.00
Body Armor Replacement Fund	2,608.21	2,608.21	1,842.93			4,451.14
NJ ICA Share Grant	10,334.48	10,334.48				10,334.48
Stormwater Management Grant	4,234.00	4,234.00		4,234.00		
Drunk Driving Enforcement Fund	12,228.00	19,305.00		19,305.00		
Body Worn Camera Grant		12,228.00				12,228.00
Federal Grants:						
Coronavirus State & Local Fiscal Recovery Funds	47,512.42	47,512.42		47,512.42		
Local Grants:						
Local Recreation Improvement Grant			74,000.00			74,000.00
2023 Spotted Lantern Fly			15,000.00			15,000.00
2023 County Open Space - Clinton St Park 1			97,000.00			97,000.00
2023 County Open Space - Clinton St Park 2			192,000.00			192,000.00
Historic Preservation Grant - Burrows Mansion 1			33,964.00			33,964.00
Historic Preservation Grant - Burrows Mansion 2			149,377.00			149,377.00
Monmouth County Environmental Health Act						1,750.00
Municipal Drug Alliance	1,750.00	1,750.00				838.00
Police OEM Grant	838.00	838.00				2,405.72
Cab evison Grant	2,405.72	2,405.72				550.34
	550.34	550.34				
	\$ 211,971.19	\$ 233,434.39	\$ 620,401.57	\$ 118,617.88	\$ 9,227.25	\$ 725,990.83
	A	A-3-A-32	A-4	A	A	A
Reserve						
Transferred from Encumbrances Payable	\$ 211,971.19					
	\$ 21,463.20					
	\$ 233,434.39					

REF.

A A

Transferred from Encumbrances Payable

BOROUGH OF MATAWAN

GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2022	CASH RECEIPTS	APPLIED TO RECEIVABLE	APPLIED TO REVENUE	BALANCE DECEMBER 31, 2023
Clean Communities Grant	\$ 36,103.32	\$ 20,946.10	\$ 36,103.32	\$	20,946.10
Alcohol Education and Rehabilitation Fund	908.80	1,557.53	908.80		1,557.53
Body Armor Replacement Fund	1,842.93	2,227.68	1,842.93		2,227.68
Distracted Driving Incentive Grant		2,520.00			2,520.00
Impaired Driving Countermeasure		2,940.00			2,940.00
Coronavirus State & Local Fiscal Recovery Funds	452,168.16			452,168.16	
	<u>\$ 491,023.21</u>	<u>\$ 30,191.31</u>	<u>\$ 38,855.05</u>	<u>\$ 452,168.16</u>	<u>\$ 30,191.31</u>
<u>REF.</u>	A	A-4	A-29	A-32	A

BOROUGH OF MATAWAN

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>WATER SERER OPERATING FUND</u>
Balance, December 31, 2022:				
Due From	A	\$ 662,550.08	\$ 662,550.08	
Increased by:				
Cash Disbursements	A-4	114,308.83	114,308.83	
Due Water Sewer Operating Fund	A-32	47,512.42	47,512.42	
2023 Budget Appropriations	A-30	620,401.57	620,401.57	
		\$ <u>782,222.82</u>	\$ <u>782,222.82</u>	
Decreased by:				
Cash Receipts	A-4	118,617.88	118,617.88	
Unappropriated Grant	A-31	452,168.16		452,168.16
Due Current Fund	A-32	47,512.42		47,512.42
2023 Budget Revenues Realized	A-29	620,401.57	620,401.57	
		\$ <u>1,238,700.03</u>	\$ <u>739,019.45</u>	\$ <u>499,680.58</u>
Balance, December 31, 2023:				
Due From	A	\$ 705,753.45	\$ 705,753.45	
Due To	A	\$ <u>499,680.58</u>	\$ <u>499,680.58</u>	\$ <u>499,680.58</u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.		ANIMAL CONTROL TRUST	TRUST OTHER
B	Balance, December 31, 2022	\$ 7,646.20	\$ 1,379,440.07
	Increased by Receipts:		
B-2	Animal Control License Fees Collected	\$ 2,787.20	
B-3	Due State Department of Health	328.80	
B-5	Miscellaneous Reserves		1,062,561.22
B-6	Payroll Deductions Payable		5,703,863.13
B-7	Recreation Trust		101,289.22
B-8	Law Enforcement Trust		7,878.93
B-9	Developer's Escrow		36,225.54
B-10	Unemployment		4,562.76
B-11	Federal Asset Forfeiture Fund		62.91
		3,116.00	6,916,443.71
		10,762.20	8,295,883.78
	Decreased by Disbursements:		
B-3	Due State Department of Health	\$ 326.40	
B-5	Miscellaneous Reserves		1,556,394.48
B-6	Payroll Deductions Payable		5,667,148.29
B-7	Recreation Trust		94,814.75
B-9	Developer's Escrow		73,013.46
B-10	Unemployment		5,402.99
		326.40	7,396,773.97
B	Balance, December 31, 2023	\$ 10,435.80	\$ 899,109.81

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	5,616.00
Increased by:			
Animal Control License Fees Collected	B-1	\$	<u>2,787.20</u>
			8,403.20
Decreased by:			
Excess Reserves - Due Current	B-4	\$	3,093.60
Encumbrances Payable	B		<u>212.00</u>
			<u>3,305.60</u>
Balance, December 31, 2023	B	\$	<u><u>5,097.60</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2022	\$ 2,386.80
2021	<u>2,710.80</u>
	\$ <u><u>5,097.60</u></u>

BOROUGH OF MATAWAN

TRUST FUND

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

	<u>REF.</u>		
Increased by:			
Animal Registration Fees Collected	B-1	\$	<u>328.80</u>
Decreased by:			
Paid to State Department of Health	B-1		<u>326.40</u>
Balance, December 31, 2023	B	\$	<u><u>2.40</u></u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		<u>TOTAL</u>		<u>CURRENT FUND</u>
Balance, December 31, 2022 Interfunds Payable	B	\$	<u>2,030.20</u>	\$	<u>2,030.20</u>
Increased by					
Excess Animal Control Reserves	B-2	\$	<u>3,093.60</u>	\$	<u>3,093.60</u>
			3,093.60		3,093.60
Balance, December 31, 2023 Interfunds Payable	B	\$	<u><u>5,123.80</u></u>	\$	<u><u>5,123.80</u></u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2022</u>
Reserve for Fire Safety	\$ 25,680.54	\$ 21,079.00	\$ 6,463.41	\$ 40,296.13
Reserve for Fire Preventions Dedicated	3,892.90	4,343.00		8,235.90
Tax Title Lien Redemptions Payable	11,770.55	369,557.24	380,188.17	1,139.62
Police Firearms Donations	2,742.49			2,742.49
Tax Title Lien Premiums	719,600.00	77,900.00	612,300.00	185,200.00
Off Duty Police	70,164.43	351,994.56	392,849.56	29,309.43
K-9 Unit Fund	5,190.74		702.93	4,487.81
POAA	32.00	8.00		40.00
Public Defender	8,923.16	50.00	3,000.00	5,973.16
Developer's Escrow	175,358.44	235,379.64	158,356.46	252,381.62
Recycling Program	6,079.99	2,249.78	2,033.95	6,295.82
Reserve for Property Maintenance	3,800.00		500.00	3,300.00
	<u>\$ 1,033,235.24</u>	<u>\$ 1,062,561.22</u>	<u>\$ 1,556,394.48</u>	<u>\$ 539,401.98</u>

REF.

B

B-1

B-1

B

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	37,829.20
Increased by:			
Cash Receipts	B-1	\$	<u>5,703,863.13</u>
			5,741,692.33
Decreased by:			
Cash Disbursements	B-1		<u>5,667,148.29</u>
Balance, December 31, 2023	B	\$	<u><u>74,544.04</u></u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION TRUST

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	43,187.20
Increased by:			
Cash Receipts	B-1		<u>101,289.22</u>
		\$	<u>144,476.42</u>
Decreased by:			
Cash Disbursements	B-1		<u>94,814.75</u>
Balance, December 31, 2023	B	\$	<u><u>49,661.67</u></u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	1,608.50
Increased by:			
Cash Receipts	B-1		<u>7,878.93</u>
Balance, December 31, 2023	B	\$	<u><u>9,487.43</u></u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	170,959.25
Increased by:			
Cash Receipts	B-1		<u>36,225.54</u>
		\$	<u>207,184.79</u>
Decreased by:			
Cash Disbursements	B-1		<u>73,013.46</u>
Balance, December 31, 2023	B	\$	<u><u>134,171.33</u></u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	87,678.16
Increased by:			
Cash Receipts	B-1		<u>4,562.76</u>
		\$	<u>92,240.92</u>
Decreased by:			
Cash Disbursements	B-1		<u>5,402.99</u>
Balance, December 31, 2023	B	\$	<u><u>86,837.93</u></u>

BOROUGH OF MATAWAN

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL ASSET FORFEITURE FUND

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	4,942.52
Increased by:			
Cash Receipts	B-1	\$	<u>62.91</u>
Balance, December 31, 2023	B	\$	<u><u>5,005.43</u></u>

BOROUGH OF MATAWAN
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	426,132.77
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$	26,417.21
Grant Received for Fully Funded Ordinance	C-5		138,546.98
Bond Premium	C-5		174,218.98
Monmouth County Improvement Authority	C-8		144,772.75
General Serial Bonds	C-10		1,480,000.00
Capital Improvement Fund	C-12		200,000.00
			<u>2,163,955.92</u>
		\$	<u>2,590,088.69</u>
Decreased by Disbursements:			
Anticipated Revenue	C-1	\$	138,546.98
Monmouth County Improvement Authority	C-8		504,492.87
Contracts Payable	C-13		887,830.83
			<u>1,530,870.68</u>
Balance, December 31, 2023	C	\$	<u><u>1,059,218.01</u></u>

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

	<u>REF.</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
Fund Balance	C-1	\$	252,997.92
Capital Improvement Fund	C-12		885,174.76
Contracts Payable	C-13		95,035.71
Reserve to Pay Debt Service	C-15		24,314.14
Reserve for Road Improvements	C-6		50,000.00
Improvement Authorization Expenditures	C-5		(130,123.65)
Grants Receivable	C-7		(967,202.18)
Infrastructure Trust Loan Receivable	C-8		(1,896,913.66)
Improvement Authorizations Funded	C-9		<u>2,745,934.97</u>
		\$	<u><u>1,059,218.01</u></u>
	<u>REF.</u>		C

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	15,844,000.00
Increased by:			
Serial Bonds Issued	C-5	\$	<u>1,480,000.00</u>
			17,324,000.00
Decreased by:			
Serial Bonds Paid by Budget	C-10	\$	<u>915,000.00</u>
			<u>915,000.00</u>
Balance, December 31, 2023	C	\$	<u><u>16,409,000.00</u></u>

BOROUGH OF MATAWAN
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2022	Increased	Bond Sale	Paid By Budget	BALANCE DECEMBER 31, 2023	ANALYSIS OF BALANCE, December 31, 2023	
							EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
85-23/86-21/03-11	Preliminary Planning Expenses & Improvements to Lake Lefferts and Lake Matawan Dr	\$ 673,219.01	\$	\$	\$ 23,392.67	\$ 649,826.34	\$	\$ 649,826.34
16-07	Refunding Bond Ordinance	690,000.00				690,000.00		690,000.00
16-09-17-15	2016 Road Improvement	291.52				291.52		291.52
06-18/13-19/18-15	Improvements to Municipal Community Center	200,000.00			58,263.18	141,736.82	130,123.65	11,613.17
19-12	Improvement to Lake Lefferts Dam and Bridge	2,100,000.00				2,100,000.00		2,100,000.00
19-24/20-09	Main Street Streetscape Phase III	127,000.00				127,000.00		
20-10	2020 Road Program	374,218.98		374,218.98	56,891.13	70,108.87		70,108.87
22-02	2022 Road Program	883,000.00		883,000.00				
23-12	Various Park Improvements	883,000.00	397,000.00	397,000.00				
		\$ 5,047,729.51	\$ 397,000.00	\$ 1,654,218.98	\$ 138,546.98	\$ 3,651,963.55	\$ 130,123.65	\$ 3,521,839.90
		C	C-9		C-2	C	C-3	C-9
REF.								
C-4	Bond Proceeds			\$ 1,480,000.00				
C-2	Bond Premium			174,218.98				
				\$ 1,654,218.98				

"C-6"

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ROAD IMPROVEMENTS

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	C	\$ <u>50,000.00</u>

"C-7"

BOROUGH OF MATAWAN
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	796,202.18
Increased by:			
Improvement Authorizations:			
New Jersey Department of Transportation (Ord 22-02)	C-9	\$ <u>171,000.00</u>	<u>171,000.00</u>
Balance, December 31, 2023	C:C-3	\$	<u><u>967,202.18</u></u>
Analysis of Balance			
Federal Emergency Management Agency:			
2013 Road Improvement Program (Ord 13-11/13-18)		\$	4,101.80
2016 Road Improvement Program (Ord 16-09)			22,055.47
New Jersey Department of Transportation:			
2015 Road Improvements (Ord 15-07)			98,530.41
Improvements to Lake Lefferts Dam and Bridge (Ord 19-12)			500,000.00
2020 Road Improvements (Ord 22-02)			150,000.00
New Jersey Department of Consumer Affairs:			
Clinton Street Park (Ord 23-12)			74,000.00
County of Monmouth:			
Underwater Repair to Lake Matawan Dam (Ord 19-04)			21,514.50
Clinton Street Park (Ord 23-12)			97,000.00
		\$	<u><u>967,202.18</u></u>

"C-8"

SCHEDULE OF DUE FROM MONMOUTH COUNTY IMPROVEMENT AUTHORITY

Balance, December 31, 2022	C	\$	1,537,193.54
Increased by:			
Cash Disbursements	C-2	\$ <u>504,492.87</u>	<u>2,041,686.41</u>
Decreased by:			
Cash Receipts	C-2		<u>144,772.75</u>
Balance, December 31, 2023	C:C-3	\$	<u><u>1,896,913.66</u></u>

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CAPITAL LEASE OBLIGATION

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	1,956,000.00
Increased by:			
Monmouth County Improvement Authority Equipment Lease	C-14	\$ <u>1,218,000.00</u>	<u>1,218,000.00</u>
		\$	<u>3,174,000.00</u>
Decreased by:			
Paid by Budget	C-14		<u>379,000.00</u>
Balance, December 31, 2023	C	\$	<u><u>2,795,000.00</u></u>

"C-12"

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	685,174.76
Increased by:			
2023 Budget Appropriation	C-2		<u>200,000.00</u>
Balance, December 31, 2023	C:C-3	\$	<u><u>885,174.76</u></u>

"C-13"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2022	C	\$	895,582.21
Increased by:			
Improvement Authorizations	C-9		<u>140,309.56</u>
		\$	<u>1,035,891.77</u>
Decreased by:			
Cash Disbursements	C-2	\$	887,830.83
Cancellation	C-9		<u>53,025.23</u>
			<u>940,856.06</u>
Balance, December 31, 2023	C:C-3	\$	<u><u>95,035.71</u></u>

"C-14"

BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL LEASE OBLIGATION PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	1,956,000.00
Increased by:			
Monmouth County Improvement Authority Equipment Lease	C-11	\$	<u>1,218,000.00</u>
			1,218,000.00
		\$	<u>3,174,000.00</u>
Decreased by:			
Paid by Budget Appropriation	C-11		<u>379,000.00</u>
Balance, December 31, 2023	C	\$	<u>2,795,000.00</u>
Analysis of Balance			
2015 Capital Lease		\$	45,000.00
2017 Capital Lease			296,000.00
2019 Capital Lease			659,000.00
2021 Capital Lease			577,000.00
2023 Capital Lease			<u>1,218,000.00</u>
		\$	<u>2,795,000.00</u>

"C-15"

SCHEDULE OF RESERVE TO PAY DEBT SERVICE

Balance, December 31, 2022 and December 31, 2023	C	\$	<u>24,314.14</u>
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BOROUGH OF MATAWAN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
85-23/86-21/03-11	Preliminary Planning Expenses & Improvements to Lake Lefferts and Lake Matawan Dr	\$	649,826.34
16-07	Refunding Bond Ordinance		690,000.00
16-09:17-15	2016 Road Improvement		291.52
13-19/18-15	Improvements the Matawan Municipal Community Center		141,736.82
19-12	Improvement to Lake Lefferts Dam and Bridge		2,100,000.00
19-24	Main Street Streetscape Phase III		70,108.87
		\$	<u>3,651,963.55</u>

BOROUGH OF MATAWAN

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
D	\$ 957,748.60	\$ 159.23
Balance, December 31, 2022		
Increased by Receipts:		
Miscellaneous Revenue	31,003.15	
Anticipated Revenue	499,680.58	
Consumer Accounts Receivable	5,628,083.51	
Water/Sewer Overpayments	11,446.48	
Prepaid Charges	3,588.07	
Capital Improvement Fund		115,000.00
Interfunds	2,410,362.49	980,100.00
Refunding Utility Bond Proceeds		4,880,000.00
Premium on Bond Sale		613,000.00
Reserve for Capital Outlay		499,680.58
	\$ 8,584,164.28	\$ 7,087,780.58
	\$ 9,541,912.88	\$ 7,087,939.81
Decreased by Disbursements:		
2023 Appropriations	5,494,764.43	
Appropriation Reserves	344,814.41	
Accrued Interest on Bonds	205,942.14	
Accounts Payable	234.23	
Interfunds	1,970,362.49	1,919,780.58
Contracts Payable		2,435,382.29
	\$ 8,016,117.70	\$ 4,355,162.87
Balance, December 31, 2023	\$ 1,525,795.18	\$ 2,732,776.94

"D-7"

BOROUGH OF MATAWAN

WATER/SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH

	<u>REF.</u>		BALANCE DECEMBER <u>31, 2023</u>
Infrastructure Loan Receivable	D-16	\$	(132,535.00)
Interfund Receivable	D-27		(754,680.58)
Interfund Payable	D-27		4,959.69
Contracts Payable	D-20		1,360,724.12
Capital Improvement Fund	D-23		990,600.00
Reserve to Pay Debt Service	D-28		2,799.13
Reserve for Capital Outlay	D-29		499,680.58
Fund Balance	D-2		21,813.14
Improvement Authorizations Expended:			

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
95-39/02-06	Ten-Inch Water Main. Route 34 to Colonial Shops	4,226.51
99-13/01-15/ 02-16	Reconstruction and Improvement of Sanitary Sewer System	4,800.28
02-02/02-07	Reconstruction of Somerset Place Pump Station and Force Main Reconstruction of Buttonwood Manor Pump Station	3,269.45
02-18/07-27	Water Main and Sanitary Sewer Improvements	2,075.57
09-07	Water Treatment Plant Improvements	1,685.19
08-24/13-10	Various Water/Sewer Utility Improvements	4,756.79
09-25	Water Treatment Plant Improvements	311,529.72
10-18	Replacement of Water Mains	33,803.07
13-12	Replacement of Water Mains	106,138.75
15-06	Various Water/Sewer Utility Improvements	55,767.41
16-08	Various Water/Sewer Utility Improvements	1,689.61
19-06	Various Water/Sewer Utility Improvements	212,699.63
20-10	Various Water/Sewer Utility Improvements	(3,026.12)
22-01	Various Water/Sewer Utility Improvements	0.00
		<hr/>
		\$ 2,732,776.94
		<hr/> <hr/>

REF.

D

"D-8"

BOROUGH OF MATAWAN
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>		
Balance, December 31, 2022 and December 31, 2023	D	\$	<u>50.00</u>

"D-9"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2022	D	\$	301,172.71
Increased by:			
Water/Sewer Rents Levied		\$	<u>5,698,480.90</u>
			5,999,653.61
Decreased by:			
Collections	D-6	\$	5,628,083.51
Prepaid Charges Applied	D-12		6,532.82
Overpayments Applied	D-11		<u>14,541.89</u>
	D-4		<u>5,649,158.22</u>
Balance, December 31, 2023	D	\$	<u>350,495.39</u>

"D-10"

BOROUGH OF MATAWAN
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 86,709.30	\$ 46,709.30	\$ 43,300.30	\$ 3,409.00
Other Expenses	240,444.21	274,634.86	207,558.78	67,076.08
Acquisition of Water	68,437.45	137,727.95	98,609.56	39,118.39
Bayshore Regional Sewage Authority	1.20	1.20		1.20
Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>548.87</u>	<u>548.87</u>		<u>548.87</u>
	<u>\$ 396,141.03</u>	<u>\$ 459,622.18</u>	<u>\$ 349,468.64</u>	<u>\$ 110,153.54</u>
	D			D-1
Balance December 31, 2022	\$	396,141.03		
Encumbrances Payable		<u>63,481.15</u>		
	\$	<u>459,622.18</u>		
Cash Disbursements		\$	344,814.41	
Accounts Payable			<u>4,654.23</u>	
	\$		<u>349,468.64</u>	

REF.

D-10
D-13

D-6
D-15

"D-11"

BOROUGH OF MATAWAN

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF WATER/SEWER USE OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	14,541.89
Increased by:			
Cash Receipts	D-6	\$	<u>11,446.48</u>
			25,988.37
Decreased by:			
Applied To Rents	D-9		<u>14,541.89</u>
Balance, December 31, 2023	D	\$	<u><u>11,446.48</u></u>

"D-12"

SCHEDULE OF WATER/SEWER PREPAID CHARGES

Balance, December 31, 2022	D	\$	6,532.82
Increased by:			
Cash Receipts	D-6	\$	<u>3,588.07</u>
			10,120.89
Decreased by:			
Applied To Rents	D-9		<u>6,532.82</u>
Balance, December 31, 2023	D	\$	<u><u>3,588.07</u></u>

"D-13"

BOROUGH OF MATAWAN
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	63,481.15
Increased by:			
Budget Appropriations	D-5	\$	<u>110,094.08</u>
			110,094.08
		\$	<u>173,575.23</u>
Decreased by:			
Transferred to Appropriation Reserves	D-10	\$	<u>63,481.15</u>
			63,481.15
Balance, December 31, 2023	D	\$	<u><u>110,094.08</u></u>

"D-14"

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Balance, December 31, 2022	D	\$	74,875.91
Increased by:			
Budget Appropriations	D-5		<u>238,000.00</u>
		\$	312,875.91
Decreased by:			
Cash Disbursements	D-6	\$	205,942.14
Cancelled Accrued Interest	D-1		<u>20,963.08</u>
			<u>226,905.22</u>
Balance, December 31, 2023	D	\$	<u><u>85,970.69</u></u>

"D-15"

BOROUGH OF MATAWAN
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance December 31, 2022	D	\$	16,940.75
Increased by:			
Transferred from:			
Appropriation Reserves	D-10	\$	<u>4,654.23</u>
			21,594.98
Decreased by:			
Cash Disbursements	D-6		<u>234.23</u>
Balance December 31, 2023	D	\$	<u><u>21,360.75</u></u>

"D-16"

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF INFRASTRUCTURE LOAN RECEIVABLE

Balance, December 31, 2022 and December 31, 2023	D	\$	<u><u>132,535.00</u></u>
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"D-17"

BOROUGH OF MATAWAN

WATER/SEWER UTILITY ASSESSMENT TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>		<u>UTILITY CAPITAL FUND</u>
Balance, December 31, 2022 and December 31, 2023 (Due From)	D	\$	<u>4,959.69</u>

"D-18"

BOROUGH OF MATAWAN
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

REF.

Balance, December 31, 2022 and
December 31, 2023

D

\$ 18,835,015.39

BOROUGH OF MATAWAN

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2023</u>
95-39/02-06	Ten-Inch Water Main, Route 34 to Colonial Shops	10/03/95	\$ 400,000.00	\$ 11,365.52	\$ 11,365.52
99-13/01-15/02-16	Reconstruction and Improvement of Sanitary Sewer System	06/15/99	2,200,000.00	249,760.66	249,760.66
02-02/02-07	Reconstruction of Somerset Place Pump Station and Force Main Reconstruction of Buttonwood Manor Pump Station	02/19/02	878,000.00	219,030.22	219,030.22
02-18/07-27	Water Main and Sanitary Sewer Improvements	07/16/02	1,500,000.00	555,197.46	555,197.46
08-24/13-10	Various Water/Sewer Utility Improvements	05/21/13	250,000.00	250,000.00	250,000.00
09-07	Water Treatment Plant Improvements	08/23/09	350,000.00	350,000.00	350,000.00
09-25	Water Treatment Plant Improvements	12/15/09	6,500,000.00	6,500,000.00	6,500,000.00
10-18	Replacement of Water Mains	12/09/10	1,150,000.00	1,150,000.00	1,150,000.00
13-12	Replacement of Water Mains	05/21/13	400,000.00	400,000.00	400,000.00
15-06	Various Water/Sewer Utility Improvements	06/16/15	445,000.00	445,000.00	445,000.00
16-08	Various Water/Sewer Utility Improvements	10/18/16	860,000.00	860,000.00	860,000.00
19-06	Various Water/Sewer Utility Improvements	05/07/19	1,343,000.00	1,343,000.00	1,343,000.00
20-10	Various Water/Sewer Utility Improvements	12/15/20	2,023,000.00	2,023,000.00	2,023,000.00
22-01	Various Water/Sewer Utility Improvements	03/01/22	4,006,000.00	4,006,000.00	4,006,000.00
			\$	\$ 18,362,353.86	\$ 18,362,353.86

REF.

D D

BOROUGH OF MATAWAN
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	3,301,441.16
Increased by:			
Improvement Authorizations	D-24		498,421.40
		\$	<u>3,799,862.56</u>
Decreased by:			
Cash Disbursements	D-6	\$	2,435,382.29
Contracts Payable Cancelled	D-24		<u>3,756.15</u>
			<u>2,439,138.44</u>
Balance, December 31, 2023	D	\$	<u><u>1,360,724.12</u></u>

BOROUGH OF MATAWAN
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2022	D	\$	22,246,143.75
Increased by:			
Serial Bonds Paid by Budget	D-25	\$	505,000.00
Infrastructure Loan Paid by Budget	D-26		344,878.48
Bond Premium	D-6		<u>613,000.00</u>
			<u>1,462,878.48</u>
Balance, December 31, 2023	D	\$	<u><u>23,709,022.23</u></u>

BOROUGH OF MATAWAN

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>PURPOSE</u>	<u>ORDINANCE DATE</u>	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2023
95-39/02-05	Ten-Inch Water Main, Route 34 to Colonial Shops	10/03/95	\$ 11,365.52	\$ 11,365.52
10-18	Replacement of Water Mains	12/09/10	57,500.00	57,500.00
20-10	Water / Sewer Improvements	12/15/20	227,639.95	227,639.95
22-01	Water / Sewer Improvements	03/01/22	191,000.00	191,000.00
			<u>\$ 487,505.47</u>	<u>\$ 487,505.47</u>
			D	D

REF.

BOROUGH OF MATAWAN
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance December 31, 2022	D	\$	875,600.00
Increased by: 2023 Budget Appropriation	D-6		<u>115,000.00</u>
Balance December 31, 2023	D	\$	<u><u>990,600.00</u></u>

BOROUGH OF MATAWAN
WATERSEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2022		CONTRACTS PAYABLE	CONTRACTS PAYABLE CANCELLED	BALANCE DECEMBER 31, 2023	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
95-39/02-06	Ten-inch Water Main, Route 34 to Colonial Shops	10/03/95	\$ 400,000.00	\$ 4,226.51	\$	\$	\$	4,226.51	\$
99-13/01-15/02-16	Reconstruction and Improvement of Sanitary Sewer System	06/15/99	2,200,000.00	4,800.28				4,800.28	
02-02/02-07	Reconstruction of Somerset Place Pump Station and Force Main Reconstruction of Buttonwood Manor Pump Station	02/19/02	878,000.00	3,269.45				3,269.45	
02-18/07-27	Water Main and Sanitary Sewer Improvements	07/16/02	1,500,000.00	2,075.57				2,075.57	
08-24/13-10	Various Water/Sewer Utility Improvements	05/21/13	250,000.00	4,756.79				4,756.79	
09-07	Water Treatment Plant Improvements	08/23/09	350,000.00	1,685.19				1,685.19	
09-25	Water Treatment Plant Improvements	12/15/09	650,000.00	318,991.72	294,776.00	7,462.00		33,803.07	294,776.00
10-18	Water Treatment Plant Improvements	12/09/10	1,150,000.00	33,803.07				33,803.07	
13-12	Replacement of Water Mains	05/21/13	400,000.00	106,138.75				106,138.75	
15-06	Replacement of Water Mains	06/16/15	445,000.00	55,767.41				55,767.41	
16-08	Various Water/Sewer Utility Improvements	10/16/16	860,000.00	786.31			903.30	1,689.61	
19-06	Various Water/Sewer Utility Improvements	05/07/19	1,343,000.00	209,846.78		2,204.67	2,852.85	212,699.63	
20-10	Various Water/Sewer Utility Improvements	12/15/20	2,023,000.00		116,538.60				114,333.93
22-01	Various Water/Sewer Utility Improvements	03/01/22	4,006,000.00	488,754.73		488,754.73			
			\$	746,147.83	\$	498,421.40	\$	742,441.98	\$
				D	D	D-20	D-20	D	D
			REE						

BOROUGH OF MATAVAN
 WATERSEWER UTILITY CAPITAL FUND
 SCHEDULE OF SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2023 AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2022		BALANCE DECEMBER 31, 2023	
					INCREASED	DECREASED		
Water/Sewer Utility Refunding Bonds	May 22, 2012	1,850,000.00	175,000.00	5.000%	\$	\$	175,000.00	
	October 5, 2016	2,465,000.00	215,000.00	4.000%				
Water-Sewer Utility Bonds	February 27, 2017	900,000.00	08/01/24	225,000.00	4.000%			
			08/01/25	235,000.00	4.000%			
			08/01/26	245,000.00	4.000%			
			08/01/28	255,000.00	4.000%			
			08/01/29	265,000.00	4.000%			
			08/01/30	270,000.00	4.000%			
			08/01/31	285,000.00	3.000%			
			02/15/24	30,000.00	5.000%			
			02/15/25	35,000.00	5.000%			
			02/15/26	35,000.00	5.000%			
			02/15/27	40,000.00	5.000%			
			02/15/28	40,000.00	5.000%			
			02/15/30	45,000.00	5.000%			
			02/15/31	45,000.00	5.000%			
02/15/32	45,000.00	5.000%						
02/15/33	50,000.00	5.000%						
02/15/34	50,000.00	5.000%						
02/15/35	55,000.00	5.000%						
02/15/36	55,000.00	5.000%						
02/15/37	60,000.00	5.000%						
Water-Sewer Utility Bonds	June 3, 2020	2,203,000.00	06/01/24	88,000.00	2.250%			
			06/01/25	125,000.00	2.250%			
			06/01/26	110,000.00	2.250%			
			06/01/27	110,000.00	2.250%			
			06/01/28	110,000.00	2.250%			
			06/01/29	115,000.00	2.250%			
			06/01/30	125,000.00	2.250%			
			06/01/31	125,000.00	2.250%			
			06/01/32	150,000.00	2.250%			
			06/01/33	150,000.00	2.250%			
			06/01/34	150,000.00	2.250%			
			06/01/35	150,000.00	2.250%			
			06/01/36	150,000.00	2.250%			
			06/01/37	150,000.00	2.375%			
06/01/38	150,000.00	2.375%						
Water-Sewer Utility Bonds	December 21, 2023	4,880,000.00	12/01/24	170,000.00	5.000%			
			12/01/25	170,000.00	5.000%			
			12/01/26	170,000.00	5.000%			
			12/01/27	170,000.00	5.000%			
			12/01/28	175,000.00	5.000%			
			12/01/29	185,000.00	5.000%			
			12/01/30	190,000.00	5.000%			
			12/01/31	210,000.00	5.000%			
			12/01/32	220,000.00	5.000%			
			12/01/33	230,000.00	5.000%			
			12/01/34	240,000.00	5.000%			
			12/01/35	255,000.00	5.000%			
			12/01/36	265,000.00	5.000%			
			12/01/37	280,000.00	5.000%			
12/01/38	295,000.00	5.000%						
12/01/39	310,000.00	5.000%						
12/01/40	325,000.00	5.000%						
12/01/41	335,000.00	5.000%						
12/01/42	345,000.00	5.000%						
12/01/43	340,000.00	5.000%						
					\$	\$	\$	
					5,233,000.00	4,880,000.00	4,880,000.00	
					D	D-6	D	
						505,000.00	8,608,000.00	
						D-21	D	

REF

BOROUGH OF MATAWAN

WATERSEWER UTILITY CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE	OUTSTANDING DECEMBER 31, 2023	INTEREST RATE	BALANCE DECEMBER 31, 2022	DECREASED	BALANCE DECEMBER 31, 2023
New Jersey Infrastructure Trust Series 2001A: Trust Loan	5/1/2012	\$ 1,300,000.00	8/1/2024	\$ 80,000.00	5.00%			\$
			8/1/2025	80,000.00	5.00%			
			8/1/2026	85,000.00	5.00%			
			8/1/2027	90,000.00	3.00%			
			8/1/2028	90,000.00	3.00%			
			8/1/2029	95,000.00	3.13%			
			8/1/2030	95,000.00	3.200%			
			8/1/2031	95,000.00	3.25%	785,000.00	75,000.00	710,000.00
New Jersey Infrastructure Trust Series 2012A: Fund Loan	5/1/2012	5,312,140.00	02/01/24	74,298.88	0.00%			
			08/01/24	148,597.77	0.00%			
			02/01/25	74,298.88	0.00%			
			08/01/25	148,597.77	0.00%			
			02/01/26	74,298.88	0.00%			
			08/01/26	148,597.77	0.00%			
			02/01/27	74,298.88	0.00%			
			08/01/27	148,597.77	0.00%			
			02/01/28	74,298.88	0.00%			
			08/01/28	148,597.77	0.00%			
			02/01/29	74,298.88	0.00%			
			08/01/29	148,597.77	0.00%			
			02/01/30	74,298.88	0.00%			
		08/01/30	148,597.77	0.00%				
		02/01/31	74,298.88	0.00%				
		08/01/31	148,597.77	0.00%	2,006,069.85	222,896.65	1,783,173.20	

BOROUGH OF MATAWAN

WATERSEWER UTILITY CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	DATE	OUTSTANDING DECEMBER 31, 2023	INTEREST RATE	BALANCE DECEMBER 31, 2022	DECREASED	BALANCE DECEMBER 31, 2023	
New Jersey Infrastructure Trust Series 2014A: Trust Loan	6/30/2014	\$ 232,399.00	8/1/2024	\$ 11,836.00	2.28%	\$	\$	\$	
			8/1/2025	12,106.00	2.43%				
			8/1/2026	12,400.00	2.61%				
			8/1/2027	12,724.00	2.75%				
			8/1/2028	13,074.00	2.84%				
			8/1/2029	13,445.00	2.99%				
			8/1/2030	13,847.00	3.03%				
			8/1/2031	14,267.00	3.12%				
			8/1/2032	14,712.00	3.20%				
			8/1/2033	15,183.00	3.24%				
							145,182.00	11,588.00	133,594.00
	New Jersey Infrastructure Trust Series 2014A: Fund Loan	6/30/2014	660,665.00	02/01/24	11,797.94	0.00%			
				08/01/24	23,595.89	0.00%			
			02/01/25	11,797.94	0.00%				
			08/01/25	23,595.89	0.00%				
			02/01/26	11,797.94	0.00%				
			08/01/26	23,595.89	0.00%				
			02/01/27	11,797.94	0.00%				
			08/01/27	23,595.89	0.00%				
			02/01/28	11,797.94	0.00%				
			08/01/28	23,595.89	0.00%				
			02/01/29	11,797.94	0.00%				
			08/01/29	23,595.89	0.00%				
			02/01/30	11,797.94	0.00%				
		08/01/30	23,595.89	0.00%					
		02/01/31	11,797.94	0.00%					
		08/01/31	23,595.89	0.00%					
		02/01/32	11,797.94	0.00%					
		08/01/32	23,595.89	0.00%					
		02/01/33	11,797.94	0.00%					
		08/01/33	23,595.89	0.00%					
						389,332.13	35,393.83	353,938.30	
						\$ 3,325,583.99	\$ 344,878.48	\$ 2,980,705.50	

REF.

D

D-21

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BOROUGH OF MATAWAN
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>WATER/SEWER OPERATING FUND</u>	<u>WATER/SEWER ASSESSMENT TRUST FUND</u>
Balance, December 31, 2022 (Due To)	D	\$ <u>189,959.69</u>	\$ <u>185,000.00</u>	\$ <u>4,959.69</u>
Increased by: Cash Receipts	D-6	<u>980,100.00</u>	<u>980,100.00</u>	<u> </u>
Decreased by: Cash Disbursements	D-6	<u>1,919,780.58</u>	<u>1,919,780.58</u>	<u> </u>
Balance, December 31, 2023 (Due From)	D	\$ <u>754,680.58</u>	\$ <u>754,680.58</u>	\$ <u> </u>
Balance, December 31, 2023 (Due To)	D	\$ <u><u>4,959.69</u></u>	\$ <u><u> </u></u>	\$ <u><u>4,959.69</u></u>

"D-28"

BOROUGH OF MATAWAN
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Balance December 31, 2022 and December 31, 2023	D	\$ <u>2,799.13</u>

"D-29"

SCHEDULE OF RESERVE FOR CAPITAL OUTLAY

Increased by: 2023 Budget Appropriation	D-6	\$ <u>499,680.58</u>
December 31, 2023	D	\$ <u>499,680.58</u>

BOROUGH OF MATAWAN
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>WATER/SEWER CAPITAL FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance, December 31, 2022 (Due From)	D	\$ <u>185,000.00</u>	\$ _____	\$ <u>185,000.00</u>	\$ _____
Increased by:					
Cash Receipts	D-6	\$ <u>2,410,362.49</u>	\$ <u>490,581.91</u>	\$ <u>1,919,780.58</u>	\$ _____
Decreased by:					
Cash Disbursements	D-6	\$ <u>1,970,362.49</u>	\$ <u>490,581.91</u>	\$ <u>980,100.00</u>	\$ <u>499,680.58</u>
Balance, December 31, 2023 (Due From)	D	\$ <u>499,680.58</u>	\$ _____	\$ _____	\$ <u>499,680.58</u>
Balance, December 31, 2023 (Due To)	D	\$ <u><u>754,680.58</u></u>	\$ <u><u>_____</u></u>	\$ <u><u>754,680.58</u></u>	\$ <u><u>_____</u></u>

"D-31"

BOROUGH OF MATAWAN

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2023</u>
09-25	Water Treatment Plant Improvements	\$	294,776.00
20-10	Water / Sewer Improvements		<u>117,360.05</u>
		\$	<u><u>412,136.05</u></u>

BOROUGH OF MATAWAN

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

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

	YEAR 2023		YEAR 2022	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,600,000.00	4.03%	\$ 1,503,000.00	3.92%
Miscellaneous-From Other Than Local				
Property Tax Levies	4,229,135.05	10.64%	3,775,071.38	9.85%
Collection of Delinquent Taxes and Tax Title Liens	215,282.85	0.54%	8,396.48	0.02%
Collection of Current Tax Levy	33,686,302.17	84.79%	33,030,897.96	86.20%
<u>TOTAL INCOME</u>	\$ 39,730,720.07	100.00%	\$ 38,317,365.82	100.00%
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 14,547,924.18	38.15%	\$ 13,666,054.24	37.19%
County Taxes	3,154,728.65	8.27%	3,258,478.88	8.87%
School Taxes	20,419,946.00	53.56%	19,799,080.00	53.88%
Other Expenditures	6,036.94	0.02%	20,905.00	0.06%
<u>TOTAL EXPENDITURES</u>	\$ 38,128,635.77	100.00%	\$ 36,744,518.12	100.00%
Excess in Revenue	\$ 1,602,084.30		\$ 1,572,847.70	
Adjustment Before Fund Balance: Expenditures Included Above Which Are by Statute Deferred Charges to Budgets of Succeeding Years Statutory Excess in Fund Balance	\$ 1,602,084.30		\$ 315,000.00 1,887,847.70	
Fund Balance, January 1	\$ 5,025,447.31		\$ 4,640,599.61	
	\$ 6,627,531.61		\$ 6,528,447.31	
Less: Utilization as Anticipated Revenue	1,600,000.00		1,503,000.00	
Fund Balance, December 31	\$ 5,027,531.61		\$ 5,025,447.31	

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

	YEAR ENDED DECEMBER 31, 2023		YEAR ENDED DECEMBER 31, 2022	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 156,131.67	2.41%	\$ 156,131.67	2.67%
Collection of Water/Sewer Rents	5,649,158.22	87.35%	5,372,709.03	91.79%
Miscellaneous - Other Than Water/Sewer Rents	661,800.35	10.23%	324,384.76	5.54%
	<u>\$ 6,467,090.24</u>	<u>100.00%</u>	<u>\$ 5,853,225.46</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 4,165,715.00	69.46%	\$ 4,078,570.33	76.05%
Debt Service	1,093,000.00	18.23%	1,060,654.48	19.78%
Deferred Charges and Statutory Expenditures	123,261.80	2.06%	123,765.60	2.31%
Capital Improvements	614,680.58	10.25%	20,000.00	0.37%
Deficit in Prior Year Operations			80,002.31	1.49%
	<u>\$ 5,996,657.38</u>	<u>100.00%</u>	<u>\$ 5,362,992.72</u>	<u>100.00%</u>
Excess in Revenue	\$ 470,432.86		490,232.74	
Fund Balance, January 1	\$ 570,285.05		\$ 236,183.98	
	<u>1,040,717.91</u>		<u>726,416.72</u>	
Decreased by:				
Utilized as Anticipated Revenue	156,131.67		156,131.67	
Miscellaneous	\$ 884,586.24		\$ 570,285.05	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>2.174</u>	<u>2.496</u>	<u>2.717</u>
Apportionment of Tax Rate:			
Municipal	0.673	0.764	0.817
County	0.200	0.245	0.259
Regional School	1.301	1.487	1.641

ASSESSED VALUATIONS:

2023	<u>\$1,589,818,300.00</u>		
2022		<u>\$1,331,071,700.00</u>	
2021			<u>\$1,190,592,800.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

			<u>CURRENTLY</u>
		CASH	PERCENTAGE
<u>YEAR</u>	<u>TAX LEVY</u>	<u>COLLECTION</u>	<u>OF</u>
			<u>COLLECTIONS</u>
2023	\$34,163,201.20	\$33,683,455.32	98.60%
2022	\$33,250,861.99	\$33,030,897.96	99.34%
2021	\$32,527,442.44	\$32,498,412.26	99.91%

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.

	AMOUNT OF TAX	AMOUNT OF	TOTAL	PERCENTAGE
<u>YEAR</u>	<u>TITLE LIENS</u>	<u>DELINQUENT</u>	<u>DELINQUENT</u>	<u>OF TAX LEVY</u>
		<u>TAXES</u>		
2023	\$10,242.82	\$367,111.37	\$377,354.19	1.10%
2022	16,524.13	204,077.09	220,601.22	0.66%
2021	13,566.25	5,399.20	18,965.45	0.06%

COMPARISON OF UTILITY RENTS LEVIED

	<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
Water/Sewer	2023	\$5,698,480.90	\$5,649,158.22
Utility Fund	2022	\$5,158,083.38	\$5,372,709.03
	2021	\$4,734,693.19	\$4,508,819.79

EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2023	\$1,393,407,195.67
2022	\$1,296,418,966.00
2021	\$1,224,448,838.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2023	\$5,023,582.41	**
	2022	5,025,447.31	1,600,000.00
	2021	4,640,599.61	1,503,000.00
	2020	4,276,025.22	1,503,000.00
	2019	4,419,651.16	1,353,000.00

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Water/Sewer Utility Operating Fund	2023	\$884,586.24	**
	2022	570,285.05	156,131.67
	2021	236,183.98	156,131.67
	2020	923,913.16	687,729.18
	2019	1,528,257.12	621,869.19

** The 2024 Budget had not been introduced as of the date of this report

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Joseph Altomonte	Mayor	*
Deana Gunn	Council President	*
Stephanie Buckel	Councilwoman	*
Brian Livesey	Councilman	*
Charles Ross	Councilman	*
Steven Russell	Councilman	*
Melanie S. Wang	Councilwoman	*
Ryan Michelson	Administrator	*
Karen Wynne	Municipal Clerk/Assessment Search Officer	*
Nicole Schneeberger	Chief Financial Officer/Treasurer	*
Nicola Trasente	Deputy Chief Financial Officer/Treasurer	*
Michael Schnurr	Tax Collector/Tax Search Officer	*
Kathleen Fitzgerald	Deputy Tax Collector	*
Cheryl Adamski	Payroll Supervisor	*
Joyce Jorgensen	Utility Clerk	*
Pasquale Menna, Esq.	Borough Attorney	*

*The Borough maintains Employee Dishonesty coverage for all municipal employees though the Monmouth County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000.00.

All of the Bonds were examined and appear to be properly executed.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 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:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has not appointed a Qualified Purchasing Agent and therefore their bid threshold remains at \$17,500.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough 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:

Repair of Water and Sewage Systems
Road Improvements

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 \$17,500.00 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:

Auditor
Bond Counsel
Financial Advisor
Engineering Services
Legal Services
Grant Consultant

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 3, 2023 adopted the following resolutions authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED by the Mayor and Council of Matawan that the rate of interest to be charged on delinquent taxes and assessments is to be 8% on the first \$1,500.00 and 18% on any amount thereafter. Any amount sold on tax sale is to be charged the entire 18% for the full amount.

BE IT FURTHER RESOLVED that the rate of interest on delinquent water-sewer bills is to be 18% per state statute.

BE IT FURTHER RESOLVED that the grace period allowed for payment of interest shall not exceed 10 calendar days of the due date and thereafter. The interest shall be charged from the date due to the date paid.

BE IT RESOLVED by the Mayor and Council of the Borough of Matawan, County of Monmouth and State of New Jersey, that in accordance with the amendment to N.J.S.A. 54:4-67, the Tax Collector is hereby authorized to charge an additional penalty of 6% for any delinquency that remains in arrears past December 31, 2023 that is in excess of \$10,000.00.

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

GENERAL COMMENTS (CONTINUED)

TAX TITLE LIENS

The last tax sale was held on December 8, 2023 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 five years:

<u>YEAR</u>	<u>NUMBER</u>
2023	36
2022	37
2021	37
2020	39
2019	41

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 2023 Taxes	50
Payment of Water/Sewer Utility Rents	25

OTHER COMMENTS

Interfund Balances

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 as of the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

Treasurer

General Ledgers, were not completely maintained for any fund as required by N.J.A.C. 5:30-5.7.

Approval of Minutes

During the course of our audit, we discovered that the Borough Council Minutes were not transcribed from August through December of 2023.. As a result, these minutes were not available for audit.

RECOMMENDATIONS

That all General Ledgers be fully maintained in accordance with the provisions of N.J.A.C. 5:30-5.7.

That all Minutes of the Borough Council be made available for audit

RECEIVED
MAR - 1 2024
Borough of Matawan
Clerk's Office