

Report of Audit

on the

Financial Statements

of the

Township of Hillsborough

in the

County of Somerset
New Jersey

for the

Year Ended
December 31, 2022

TOWNSHIP OF HILLSBOROUGH

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TOWNSHIP OF HILLSBOROUGH

PART I

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

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2022 AND 2021



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Hillsborough
County of Somerset
Hillsborough, New Jersey 08844

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 Township of Hillsborough (the "Township"), as of and for the year ended December 31, 2022 and 2021, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2022.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2022 and 2021, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

SUPLEE, CLOONEY & COMPANY

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY

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

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

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

Supplementary Information

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

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

SUPLEE, CLOONEY & COMPANY

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 24, 2023

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CURRENT FUND

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | BALANCE DECEMBER <u>31, 2022</u> | BALANCE DECEMBER <u>31, 2021</u> |
|--|-------------|--|--|
| Current Fund: | | | |
| Cash | A-4 | \$ 11,168,719.29 | \$ 11,457,568.10 |
| Change Funds | A-6 | 650.00 | 650.00 |
| Due State of New Jersey-Senior Citizens and Veterans Deductions | A-8 | 3,411.64 | 4,752.06 |
| | | <u>\$ 11,172,780.93</u> | <u>\$ 11,462,970.16</u> |
| Receivables with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-9 | \$ 854,377.73 | \$ 1,051,376.40 |
| Tax Title Liens Receivable | A-10 | 439,886.88 | 395,373.43 |
| Prepaid School Taxes | A-23 | 0.02 | |
| Property Acquired for Taxes - Assessed Valuation | A-11 | 1,642,200.00 | 1,642,200.00 |
| Revenue Accounts Receivable | A-12 | 14,904.05 | 17,700.83 |
| Refunds Receivable | A-31 | 230,081.60 | |
| Interfunds Receivable | A-13 | 849,245.10 | 442,532.34 |
| | A | <u>\$ 4,030,695.38</u> | <u>\$ 3,549,183.00</u> |
| Deferred Charges: | | | |
| Special Emergency Authorization 40A:4-53 | A-32 | \$ 240,000.00 | \$ 300,000.00 |
| | | <u>\$ 15,443,476.31</u> | <u>\$ 15,312,153.16</u> |
| Grant Fund: | | | |
| Cash | A-4 | \$ 3,033,802.20 | \$ 1,934,644.55 |
| Grants Receivable | A-7 | 1,134,889.36 | 1,399,376.95 |
| Interfunds Receivable | A-30 | 328,568.53 | 326,472.18 |
| Amount to be Raised - Overexpenditure of Grants | A-34 | 139,713.33 | 55,355.49 |
| | | <u>\$ 4,636,973.42</u> | <u>\$ 3,715,849.17</u> |
| | | <u>\$ 20,080,449.73</u> | <u>\$ 19,028,002.33</u> |

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

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Current Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-18 | \$ 874,119.23 | \$ 950,959.56 |
| Encumbrances Payable | A-19 | 869,378.20 | 830,802.18 |
| Interfunds Payable | A-13 | 2,438,995.00 | 2,451,645.73 |
| Prepaid Taxes | A-21 | 1,144,165.11 | 1,171,563.45 |
| School Tax Payable | A-23 | | 22,500.46 |
| Fire District Tax Payable | A-29 | 20,000.00 | 20,000.00 |
| Reserve for Grants-Unappropriated | A-33 | 169,641.54 | 7,330.00 |
| Reserve for Miscellaneous Deposits | A-14 | 182,850.38 | 193,726.44 |
| Reserve for Tax Appeals | A-17 | 19,947.53 | 22,763.14 |
| Due State of New Jersey-Registrar Licenses | A-26 | 250.00 | 2,000.00 |
| | | <u>\$ 5,719,346.99</u> | <u>\$ 5,673,290.96</u> |
| Reserve for Receivables | A | 4,030,695.38 | 3,549,183.00 |
| Fund Balance | A-1 | <u>5,693,433.94</u> | <u>6,089,679.20</u> |
| | | <u>\$ 15,443,476.31</u> | <u>\$ 15,312,153.16</u> |
| Grant Fund: | | | |
| Reserve for Grants-Appropriated | A-27 | \$ 3,565,578.43 | \$ 3,344,009.15 |
| Reserve for Grants-Unappropriated | A-28 | 3,723.03 | 19,722.96 |
| Interfunds Payable | A-30 | 97,006.76 | |
| Encumbrances Payable | A-20 | 970,665.20 | 352,117.06 |
| | | <u>\$ 4,636,973.42</u> | <u>\$ 3,715,849.17</u> |
| | | <u>\$ 20,080,449.73</u> | <u>\$ 19,028,002.33</u> |

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

"A-1"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

| | | YEAR ENDED DECEMBER 31, 2022 | YEAR ENDED DECEMBER 31, 2021 |
|---|-------------|------------------------------------|------------------------------------|
| | <u>REF.</u> | | |
| <u>REVENUE AND OTHER INCOME</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 3,025,000.00 | \$ 3,025,000.00 |
| Miscellaneous Revenues Anticipated | A-2 | 10,949,899.84 | 12,220,186.52 |
| Receipts from Delinquent Taxes | A-2 | 1,016,009.38 | 1,203,894.17 |
| Receipts from Current Taxes | A-2 | 159,337,484.91 | 154,023,399.03 |
| Non-Budget Revenues | A-2 | 541,484.62 | 364,354.90 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserve | A-18 | 890,305.46 | 785,185.78 |
| Encumbrances Canceled | A-19 | 151,192.23 | 367.02 |
| Interfunds Returned | | | 37,108.80 |
| Adjustment to Senior Citizen and Veteran Deductions | | | 250.00 |
| Grants Canceled | A-7 | 162,543.68 | |
| Refunds Receivable Collected | A-31 | 614,823.12 | 722,255.14 |
| <u>Total Income</u> | | <u>\$ 176,688,743.24</u> | <u>\$ 172,382,001.36</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Appropriations: | | | |
| within "CAPS": | | | |
| Operations including Contingent | A-3 | \$ 24,920,600.00 | \$ 24,283,823.00 |
| Deferred Charges and Statutory | | | |
| Expenditures - Municipal | A-3 | 4,386,857.00 | 4,457,162.66 |
| Excluded from "CAPS" | | | |
| Operations | A-3 | 3,107,280.45 | 3,258,405.79 |
| Capital Improvement Fund | A-3 | 885,000.00 | 1,100,000.00 |
| Municipal Debt Service | A-3 | 731,599.85 | 1,325,158.02 |
| Deferred Charges and Judgments | A-3 | 153,855.39 | 90,522.00 |
| County Tax | A-22 | 27,786,042.29 | 26,640,486.79 |
| County Tax for Added and Omitted Taxes | A-22 | 131,509.87 | 77,412.48 |
| District School Tax | A-23 | 104,300,350.00 | 102,740,012.00 |
| Fire District Tax | A-29 | 4,364,178.00 | 2,949,730.00 |
| Municipal Open Space Tax | A-24 | 2,008,398.15 | 1,849,636.09 |
| Interfund Advances | | 406,712.76 | |
| Refund Receivable | A-31 | 844,904.72 | 722,255.14 |
| Prepaid School Taxes | A-23 | 0.02 | |
| Refund of Prior Years Revenues | A-4 | 32,700.00 | |
| <u>Total Expenditures</u> | | <u>\$ 174,059,988.50</u> | <u>\$ 169,494,603.97</u> |
| Excess in Revenue | | \$ 2,628,754.74 | \$ 2,887,397.39 |
| Adjustments to Income Before Fund Balance: | | | |
| Expenditures Included above which are by Statute | | | |
| Deferred Charges to Budget of Succeeding Year | | | 300,000.00 |
| Regulatory Excess to Fund Balance | | \$ 2,628,754.74 | \$ 3,187,397.39 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | A | 6,089,679.20 | 5,927,281.81 |
| | | <u>\$ 8,718,433.94</u> | <u>\$ 9,114,679.20</u> |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 3,025,000.00 | 3,025,000.00 |
| Balance, December 31 | A | <u>\$ 5,693,433.94</u> | <u>\$ 6,089,679.20</u> |

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

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | | <u>ANTICIPATED</u> | | | |
|---|-------------|--------------------|--|------------------|------------------------------------|
| | <u>REF.</u> | <u>BUDGET</u> | <u>SPECIAL N.J.S. 40A:4-87</u> | <u>REALIZED</u> | <u>EXCESS OR (DEFICIT)</u> |
| Fund Balance Anticipated | A-1 | \$ 3,025,000.00 | | \$ 3,025,000.00 | |
| Miscellaneous Revenues: | | | | | |
| Alcoholic Beverage Licenses | A-12 | \$ 35,000.00 | \$ | \$ 37,688.00 | \$ 2,688.00 |
| Other Licenses | A-2 | 36,000.00 | | 40,163.15 | 4,163.15 |
| Construction Code Official - Fees and Permits | A-2 | 2,300,000.00 | | 2,011,882.97 | (288,117.03) |
| Other Fees and Permits | A-2 | 325,000.00 | | 256,404.45 | (68,595.55) |
| Fines and Costs - Municipal Court | A-12 | 270,000.00 | | 209,877.62 | (60,122.38) |
| Interest and Costs on Taxes | A-12 | 220,000.00 | | 230,946.90 | 10,946.90 |
| Interest on Investments and Deposits | A-12 | 325,000.00 | | 358,292.49 | 33,292.49 |
| Energy Receipts Tax | A-12 | 3,252,088.00 | | 3,252,088.00 | |
| Garden State Preservation Trust Fund | A-12:A-33 | 20,906.00 | | 20,906.00 | |
| Health Officer - Borough of Millstone | A-12 | 18,000.00 | | 19,528.00 | 1,528.00 |
| Shared Service - Municipal Court - Montgomery | A-12 | 150,000.00 | | 157,565.87 | 7,565.87 |
| Shared Service - Municipal Court - Manville | A-12 | 160,000.00 | | 133,122.89 | (26,877.11) |
| Shared Service - Municipal Court - Branchburg | A-12 | 55,000.00 | | 36,333.32 | (18,666.68) |
| Cable TV Franchise Fees | A-12 | 58,000.00 | | 60,844.01 | 2,844.01 |
| Cell Tower Lease | A-12 | 95,000.00 | | 105,205.25 | 10,205.25 |
| Rental Income | A-12 | 52,540.00 | | 26,530.20 | (26,009.80) |
| Contribution from Somerville Business Park | A-12 | 400,000.00 | | 889,657.76 | 489,657.76 |
| Operating Contribution - Hillsborough Promenade | A-12 | 42,356.00 | | 42,356.12 | 0.12 |
| Somerset County Library System | A-12 | 44,779.00 | | 42,793.00 | (1,986.00) |
| Municipal Alliance Grant | A-7 | 28,436.00 | | 28,436.00 | |
| Recreational Opportunities for Individuals with Disabilities | A-7 | 10,000.00 | | 10,000.00 | |
| Vaccination Supplemental Grant | A-7 | 104,445.00 | | 104,445.00 | |
| Public Health Infrastructure Grant | A-7 | 8,067.00 | | 8,067.00 | |
| Somerset County Open Space/Recreation Grant | A-7 | 250,000.00 | | 250,000.00 | |
| Youth Services - Bins | A-7 | 13,650.00 | | 13,650.00 | |
| Clean Communities Program | A-7 | 99,061.00 | | 99,061.00 | |
| Drunk Driving Enforcement Fund | A-7 | 7,128.00 | | 7,128.00 | |
| Safe and Secure | A-7 | | 32,400.00 | 32,400.00 | |
| OEM - EMMA Grant | A-7 | 5,000.00 | 10,000.00 | 15,000.00 | |
| Highway Safety | A-7 | | 36,253.00 | 36,253.00 | |
| Recycling Tonnage Grant | A-7 | | 38,533.16 | 38,533.16 | |
| Body Armor Fund | A-7 | | 2,460.91 | 2,460.91 | |
| Strengthening Local Public Health | A-7 | | 200,000.00 | 200,000.00 | |
| Youth Services Grant | A-7 | | 5,000.00 | 5,000.00 | |
| American Rescue Plan | A-7 | | 2,090,754.38 | 2,090,754.38 | |
| Capital Surplus | A-12 | 76,525.39 | | 76,525.39 | |
| | A-1 | \$ 8,461,981.39 | \$ 2,415,401.45 | \$ 10,949,899.84 | \$ 72,517.00 |
| Receipts From Delinquent Taxes | A-2 | \$ 700,000.00 | | \$ 1,016,009.38 | \$ 316,009.38 |
| Amount to be Raised by Taxes for Support of Municipal Budget | A-9:A-2 | \$ 20,843,740.00 | | \$ 21,967,006.60 | \$ 1,123,266.60 |
| <u>Budget Totals</u> | | \$ 33,030,721.39 | \$ 2,415,401.45 | \$ 36,957,915.82 | \$ 1,511,792.98 |
| Non-Budget Revenues | A-2 | | | 541,484.62 | 541,484.62 |
| | | \$ 33,030,721.39 | \$ 2,415,401.45 | \$ 37,499,400.44 | \$ 2,053,277.60 |
| | <u>REF.</u> | A-3 | A-3 | | |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | <u>REF.</u> | |
|---|-------------|-------------------------|
| Allocations of Current Tax Collections: | | |
| Revenues from Collections | A-1:A-9 | \$ 159,337,484.91 |
| Allocated to: | | |
| School and County Taxes | | \$ 132,217,902.16 |
| Fire District Tax | | 4,364,178.00 |
| Township Open Space Tax | | <u>2,008,398.15</u> |
| | | 138,590,478.31 |
| Balance for Support of Municipal Appropriations | | \$ 20,747,006.60 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>1,220,000.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>\$ 21,967,006.60</u> |

ANALYSIS OF REALIZED REVENUES

| | | |
|------------------------------------|---------|------------------------|
| Receipts from Delinquent Taxes: | | |
| Delinquent Tax Collections | A-9 | \$ 1,015,667.33 |
| Tax Title Lien Collections | A-10 | <u>342.05</u> |
| | A-1:A-2 | <u>\$ 1,016,009.38</u> |
| Licenses - Other: | | |
| Clerk | A-12 | \$ 12,265.15 |
| Registrar of Vital Statistics | A-12 | 27,610.00 |
| Health Officer | A-12 | <u>288.00</u> |
| | A-2 | <u>\$ 40,163.15</u> |
| Other Fees and Permits: | | |
| Engineering Department | A-12 | \$ 17,032.00 |
| Planning Board/Board of Adjustment | A-12 | 59,240.00 |
| Recreation | A-12 | 25,365.24 |
| Police Department | A-12 | 5,103.10 |
| Health Officer | A-12 | 18,035.00 |
| Registrar of Vital Statistics | A-12 | 4,435.00 |
| Township Clerk | A-12 | 6,900.17 |
| Tax Assessor | A-12 | 1,600.79 |
| Miscellaneous Fees | A-12 | 111,066.33 |
| Tax Collector | A-12 | 0.00 |
| Zoning Board | A-12 | <u>9,492.50</u> |
| | | \$ 258,270.13 |
| Less: Refunds | A-4 | <u>1,865.68</u> |
| | A-2 | <u>\$ 256,404.45</u> |

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

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

REF.

ANALYSIS OF REALIZED REVENUES

| | | | |
|------------------------|------|----|---------------------|
| Construction Code Fees | A-12 | \$ | 2,013,003.96 |
| Less: Refunds | A-4 | | 1,120.99 |
| | A-2 | \$ | <u>2,011,882.97</u> |

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

| | | |
|---|----|-----------------|
| Administrative Charges - Senior Citizens and Veterans | \$ | 2,920.04 |
| Administrative Charges - Homestead Rebates | | 1,008.00 |
| Prior Years' Checks Voided | | 103,973.05 |
| Grants Reimbursement of Costs | | 50,444.96 |
| State Inspections | | 200.00 |
| Special Police | | 86,749.44 |
| Interest on Delinquent Assessments | | 41,349.54 |
| FEMA | | 25,920.00 |
| Refunds | | 2,657.95 |
| Health Clinics/NJDHHS | | 8,087.00 |
| Sale of Assets Auction Proceeds | | 41,176.00 |
| Polling/Rental Income | | 6,760.00 |
| Probation | | 130.00 |
| Trust Accounts Canceled | | 93,975.54 |
| Tax Liens Escheated | | 71,923.80 |
| Miscellaneous | | <u>4,209.30</u> |

| | | |
|---------|----|-------------------|
| A-1:A-4 | \$ | <u>541,484.62</u> |
|---------|----|-------------------|

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|---|----------------|------------------------------|--------------------|-----------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| OPERATIONS WITHIN "CAPS" | | | | | |
| GENERAL GOVERNMENT | | | | | |
| Administrative and Executive: | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses: | | | | | |
| Miscellaneous | 255,225.00 | 255,225.00 | 255,045.61 | 179.39 | \$ |
| Postage | 8,470.00 | 8,470.00 | 8,051.09 | 418.91 | |
| Mayor and Committee: | 38,550.00 | 38,550.00 | 35,572.84 | 2,977.16 | |
| Salaries and Wages | 38,500.00 | 38,500.00 | 37,951.33 | 548.67 | |
| Other Expenses | 15,575.00 | 15,575.00 | 12,101.54 | 3,473.46 | |
| Township Clerk: | | | | | |
| Salaries and Wages | 287,621.00 | 282,621.00 | 278,184.15 | 4,436.85 | |
| Other Expenses | 73,325.00 | 73,325.00 | 53,600.92 | 19,724.08 | |
| Public Meeting Recording | 34,725.00 | 34,725.00 | 33,750.00 | 975.00 | |
| Elections: | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | 14,243.60 | 5,756.40 | |
| Central Purchasing: | | | | | |
| Other Expenses | 5,500.00 | 5,500.00 | 5,243.95 | 256.05 | |
| Financial Administration: | | | | | |
| Salaries and Wages | 234,537.00 | 234,537.00 | 234,537.00 | | |
| Other Expenses | 40,628.00 | 40,628.00 | 39,416.99 | 1,211.01 | |
| Audit Services | 79,385.00 | 79,385.00 | 77,825.00 | 1,560.00 | |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 335,276.00 | 330,276.00 | 326,575.83 | 3,700.17 | |
| Other Expenses | 99,780.00 | 74,780.00 | 68,144.99 | 6,635.01 | |
| Revenue Administration (Collection of Taxes): | | | | | |
| Salaries and Wages | 89,865.00 | 89,865.00 | 89,862.24 | 2.76 | |
| Other Expenses | 31,670.00 | 31,670.00 | 30,221.77 | 1,448.23 | |
| Human Resources: | | | | | |
| Other Expenses | 81,356.00 | 81,356.00 | 81,085.36 | 270.64 | |
| Information Technology: | | | | | |
| Salaries and Wages | 201,168.00 | 201,168.00 | 173,444.04 | 27,723.96 | |
| Other Expenses | 69,462.00 | 69,462.00 | 56,088.05 | 13,373.95 | |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|---|----------------|------------------------------|--------------------|--------------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| OPERATIONS WITHIN "CAPS" | | | | | |
| Legal Services and Costs: | | | | | |
| Other Expenses: | | | | | |
| Miscellaneous | \$ 150,000.00 | \$ 150,000.00 | \$ 134,386.89 | \$ 15,613.11 | \$ |
| Outside Services | 90,911.00 | 90,911.00 | 71,776.82 | 19,134.18 | |
| Engineering Services and Costs: | | | | | |
| Salaries and Wages | 414,619.00 | 409,619.00 | 399,004.10 | 10,614.90 | |
| Other Expenses | 72,311.00 | 72,311.00 | 70,821.17 | 1,489.83 | |
| Economic Development Committee: | | | | | |
| Salaries and Wages | 132,684.00 | 127,684.00 | 126,395.27 | 1,288.73 | |
| Other Expenses | 10,455.00 | 10,455.00 | 10,131.89 | 323.11 | |
| Municipal Land Use Law (N.J.S. 40:55D-1): | | | | | |
| Planning Board: | | | | | |
| Salaries and Wages | 358,620.00 | 358,620.00 | 358,563.20 | 56.80 | |
| Other Expenses | 81,550.00 | 83,689.00 | 76,919.71 | 6,769.29 | |
| Zoning Commission: | | | | | |
| Other Expenses | 35,850.00 | 25,850.00 | 11,035.43 | 14,814.57 | |
| Insurance: | | | | | |
| Unemployment Compensation | 55,788.00 | 45,788.00 | 41,870.12 | 3,917.88 | |
| General Liability | 739,858.00 | 739,858.00 | 737,933.53 | 1,924.47 | |
| Employee Group Health | 2,473,000.00 | 2,473,000.00 | 2,417,800.02 | 55,199.98 | |
| Employee Healthcare Waivers | 105,000.00 | 105,000.00 | 96,572.45 | 8,427.55 | |
| PUBLIC SAFETY | | | | | |
| Police: | | | | | |
| Salaries and Wages | 6,787,037.00 | 6,787,037.00 | 6,786,277.59 | 759.41 | |
| Other Expenses | 655,890.00 | 705,890.00 | 704,743.51 | 1,146.49 | |
| Municipal Prosecutor: | | | | | |
| Salaries and Wages | 110,160.00 | 110,160.00 | 110,127.96 | 32.04 | |
| Emergency Management: | | | | | |
| Salaries and Wages | 70,626.00 | 70,626.00 | 70,626.00 | | |
| Other Expenses | 35,080.00 | 35,080.00 | 34,354.41 | 725.59 | |
| Contribution to Fire District | 15,000.00 | 15,000.00 | 15,000.00 | | |
| Fire Hydrant Service | 950,000.00 | 930,000.00 | 844,873.70 | 85,126.30 | |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| OPERATIONS WITHIN "CAPS" | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|---|-----------------|------------------------------|--------------------|--------------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| PUBLIC WORKS | | | | | |
| Road Repairs and Maintenance: | | | | | |
| Salaries and Wages | \$ 1,947,265.00 | \$ 1,885,265.00 | \$ 1,859,558.59 | \$ 25,706.41 | \$ |
| Other Expenses | 708,325.00 | 753,325.00 | 752,022.83 | 1,302.17 | |
| Snow Removal: | | | | | |
| Salaries and Wages | 120,000.00 | 130,000.00 | 125,844.69 | 4,155.31 | |
| Other Expenses | 275,000.00 | 265,000.00 | 264,187.48 | 812.52 | |
| Public Buildings and Grounds: | | | | | |
| Other Expenses | 337,000.00 | 437,000.00 | 414,898.64 | 22,101.36 | |
| Solid Waste Flow (Recycling): | | | | | |
| Other Expenses | 400,000.00 | 400,000.00 | 400,000.00 | | |
| Solid Waste Collection (Annual Clean-Up): | | | | | |
| Salaries and Wages | 30,000.00 | 30,000.00 | 28,209.28 | 1,790.72 | |
| Other Expenses | 131,000.00 | 131,000.00 | 98,902.17 | 32,097.83 | |
| Sanitary Landfill: | | | | | |
| Other Expenses | 7,560.00 | 7,560.00 | 2,500.00 | 5,060.00 | |
| Municipal Condo Service Act | 25,000.00 | 20,000.00 | 15,428.34 | 4,571.66 | |
| HEALTH AND WELFARE | | | | | |
| Health and Welfare: | | | | | |
| Salaries and Wages | 466,920.00 | 466,920.00 | 450,713.07 | 16,206.93 | |
| Other Expenses | 66,300.00 | 66,300.00 | 66,107.19 | 192.81 | |
| Animal Control Regulation: | | | | | |
| Salaries and Wages | 5,000.00 | 5,000.00 | | 5,000.00 | |
| Other Expenses | 97,500.00 | 97,500.00 | 88,636.50 | 8,863.50 | |
| Social Services: | | | | | |
| Salaries and Wages | 264,242.00 | 264,242.00 | 237,408.36 | 26,833.64 | |
| Other Expenses | 27,888.00 | 27,888.00 | 27,649.47 | 238.53 | |
| Contribution to Senior Citizens' Organization | 28,000.00 | 28,000.00 | 28,000.00 | | |
| Environmental Commission (R.S. 40:56A-1, et. seq.): | | | | | |
| Other Expenses | 2,139.00 | | | | |
| Wildlife Management: | | | | | |
| Other Expenses | 8,000.00 | 8,000.00 | 7,639.82 | 360.18 | |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|--|------------------|------------------------------|--------------------|---------------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| RECREATION AND EDUCATION | | | | | |
| Parks and Playgrounds | | | | | |
| Salaries and Wages | \$ 728,707.00 | \$ 718,707.00 | \$ 718,176.57 | \$ 530.43 | \$ |
| Other Expenses | 274,425.00 | 274,425.00 | 273,380.72 | 1,044.28 | |
| Board of Recreation Commissioners (R.S.40:12-1): | | | | | |
| Salaries and Wages | 83,723.00 | 83,723.00 | 83,722.56 | 0.44 | |
| Other Expenses | 7,740.00 | 7,740.00 | 7,740.00 | | |
| MUNICIPAL COURT | | | | | |
| Municipal Court: | | | | | |
| Salaries and Wages | 354,776.00 | 354,776.00 | 349,335.35 | 5,440.65 | |
| Other Expenses | 60,500.00 | 60,500.00 | 52,046.57 | 8,453.43 | |
| Court Security | 20,000.00 | 20,000.00 | 3,664.01 | 16,335.99 | |
| UNIFORM CONSTRUCTION CODE | | | | | |
| Construction Official: | | | | | |
| Salaries and Wages | 1,336,060.00 | 1,336,060.00 | 1,232,773.47 | 103,286.53 | |
| Other Expenses | 155,273.00 | 155,273.00 | 111,289.14 | 43,983.86 | |
| UNCLASSIFIED | | | | | |
| Celebration of Public Events | 60,500.00 | 60,500.00 | 52,389.49 | 8,110.51 | |
| Utilities: | | | | | |
| Gasoline | 235,000.00 | 250,000.00 | 248,974.62 | 1,025.38 | |
| Street Lighting | 375,000.00 | 375,000.00 | 369,201.08 | 5,798.92 | |
| Electricity | 525,000.00 | 475,000.00 | 475,000.00 | | |
| Natural Gas | 20,000.00 | 20,000.00 | 13,540.97 | 6,459.03 | |
| Telephones | 135,000.00 | 135,000.00 | 134,127.59 | 872.41 | |
| Sewer | 4,200.00 | 4,200.00 | 4,200.00 | | |
| Diesel Fuel | 95,000.00 | 97,000.00 | 96,342.85 | 657.15 | |
| Water | 80,000.00 | 80,000.00 | 77,983.98 | 2,006.02 | |
| Google | 35,000.00 | 35,000.00 | 34,560.00 | 440.00 | |
| Sick and Vacation Reserve | 2,500.00 | 2,500.00 | | 2,500.00 | |
| TOTAL OPERATIONS WITHIN "CAPS" | \$ 24,920,600.00 | \$ 24,920,600.00 | \$ 24,236,325.47 | \$ 684,274.53 | \$ |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | \$ 24,920,600.00 | \$ 24,920,600.00 | \$ 24,236,325.47 | \$ 684,274.53 | \$ |

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

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELED |
|--|------------------|------------------------------|--------------------|---------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS": | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Police and Firemen's Retirement System of NJ | \$ 1,982,863.00 | \$ 1,982,863.00 | \$ 1,982,863.00 | \$ | \$ |
| Public Employees' Retirement System | 1,199,115.00 | 1,199,115.00 | 1,199,115.00 | | |
| Social Security System | 1,114,093.00 | 1,114,093.00 | 1,113,541.00 | 552.00 | |
| Defined Contribution Retirement Program | 10,000.00 | 10,000.00 | 9,472.47 | 527.53 | |
| Grant Overexpenditures | 55,356.00 | 55,356.00 | 55,356.00 | | |
| Deficit in Recreation Trust Fund | 25,430.00 | 25,430.00 | 25,430.00 | | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" | \$ 4,386,857.00 | \$ 4,386,857.00 | \$ 4,385,777.47 | \$ 1,079.53 | \$ |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS": | \$ 29,307,457.00 | \$ 29,307,457.00 | \$ 28,622,102.94 | \$ 685,354.06 | \$ |
| MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g EXCLUDED FROM "CAPS": | | | | | |
| Public Works (Stormwater): | | | | | |
| Salaries and Wages | 92,466.00 | 92,466.00 | 92,242.24 | 223.76 | |
| Other Expenses | 25,200.00 | 25,200.00 | 24,658.59 | 541.41 | |
| Stormwater Engineering: | | | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 9,000.00 | 3,000.00 | |
| Shared Services: | | | | | |
| Other Expenses | 18,000.00 | 18,000.00 | 18,000.00 | | |
| Health Officer - Borough of Millstone | | | | | |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELED |
|---|----------------|------------------------------|--------------------|---------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES | | | | | |
| Clean Communities Program | | | | | |
| Municipal Alliance Fund: | | | | | |
| County | \$ 99,061.00 | \$ 99,061.00 | \$ 99,061.00 | \$ | |
| Local Match | 28,436.00 | 28,436.00 | 28,436.00 | | |
| OEM - EMMA Grant (N.J.S.A. 40A:4-87 +\$10,000.00) | 7,109.00 | 7,109.00 | 7,109.00 | | |
| Somerset County Youth Services (N.J.S.A. 40A:4-87 +\$5,000.00) | 5,000.00 | 15,000.00 | 15,000.00 | | |
| Safe and Secure Communities (N.J.S.A. 40A:4-87 +\$32,400.00) | 13,650.00 | 18,650.00 | 18,650.00 | | |
| SFSP Fire District Payment | | 32,400.00 | 32,400.00 | | |
| Drunk Driving Enforcement Fund | 11,317.00 | 11,317.00 | 11,317.00 | | |
| Highway Safety Grant (N.J.S.A. 40A:4-87 +\$36,253.00) | 7,128.00 | 7,128.00 | 7,128.00 | | |
| Body Armor Replacement Fund (N.J.S.A. 40A:4-87 +\$2,460.91) | | 2,460.91 | 2,460.91 | | |
| American Rescue Plan Act (N.J.S.A. 40A:4-87 +\$2,090,754.38) | | 2,090,754.38 | 2,090,754.38 | | |
| Recycling Tonnage Grant (N.J.S.A. 40A:4-87 +\$38,533.16) | | 38,533.16 | 38,533.16 | | |
| Vaccination Supplement Grant | 104,445.00 | 104,445.00 | 104,445.00 | | |
| Recreational Opportunities for Individuals with Disabilities | 10,000.00 | 10,000.00 | 10,000.00 | | |
| Public Health Infrastructure Grant | 8,067.00 | 8,067.00 | 8,067.00 | | |
| Somerset County Open Spaces/Recreation Grant | 250,000.00 | 250,000.00 | 250,000.00 | | |
| Strengthening Local Public Health (N.J.S.A. 40A:4-87 +\$200,000.00) | | 200,000.00 | 200,000.00 | | |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | \$ 691,879.00 | \$ 3,107,280.45 | \$ 3,103,515.28 | \$ 3,765.17 | \$ |
| CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS" | | | | | |
| Capital Improvement Fund | \$ 700,000.00 | \$ 700,000.00 | \$ 700,000.00 | \$ | |
| Reserve for Municipal Building Thermostats | 185,000.00 | 185,000.00 | | 185,000.00 | |
| TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | \$ 885,000.00 | \$ 885,000.00 | \$ 700,000.00 | \$ 185,000.00 | \$ |
| MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS" | | | | | |
| Payment of Bond Anticipation Notes and Capital Notes | \$ 461,000.00 | \$ 461,000.00 | \$ 422,000.00 | \$ | \$ 39,000.00 |
| Interest on Bonds | 10,538.00 | 10,538.00 | 10,537.50 | | 0.50 |
| Interest on Notes | 160,458.00 | 160,458.00 | 158,528.35 | | 1,929.65 |
| NJ Environmental Infrastructure Loan | 140,534.00 | 140,534.00 | 140,534.00 | | |
| TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS" | \$ 772,530.00 | \$ 772,530.00 | \$ 731,599.85 | \$ | \$ 40,930.15 |

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

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | <u>APPROPRIATIONS</u> | | <u>PAID OR</u> | <u>RESERVED</u> | <u>UNEXPENDED</u> |
|---|-------------------------|-------------------------|-------------------------|----------------------|---------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER</u> | <u>CHARGED</u> | | <u>BALANCE</u> |
| | | <u>MODIFICATION</u> | | | <u>CANCELED</u> |
| <u>DEFERRED CHARGES EXCLUDED FROM "CAPS":</u> | | | | | |
| Special Emergency Authorizations - | | | | | |
| 5 Years (N.J.S.A. 40A: 4-55) | \$ 60,000.00 | \$ 60,000.00 | \$ 60,000.00 | \$ | \$ |
| Deferred Charges Unfunded: | | | | | |
| Ordinance 96-10 | 28,704.00 | 28,704.00 | 28,704.00 | | |
| Ordinance 99-01 | 65,151.39 | 65,151.39 | 65,151.39 | | |
| | <u>\$ 153,855.39</u> | <u>\$ 153,855.39</u> | <u>\$ 153,855.39</u> | <u>\$</u> | <u>\$</u> |
| <u>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</u> | | | | | |
| | \$ 2,503,284.39 | \$ 4,918,665.84 | \$ 4,688,970.52 | \$ 188,765.17 | \$ 40,930.15 |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u> | | | | | |
| SUB-TOTAL GENERAL APPROPRIATIONS | \$ 31,810,721.39 | \$ 34,226,122.84 | \$ 33,311,073.46 | \$ 874,119.23 | \$ 40,930.15 |
| RESERVE FOR UNCOLLECTED TAXES | <u>1,220,000.00</u> | <u>1,220,000.00</u> | <u>1,220,000.00</u> | | |
| <u>TOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 33,030,721.39</u> | <u>\$ 35,446,122.84</u> | <u>\$ 34,531,073.46</u> | <u>\$ 874,119.23</u> | <u>\$ 40,930.15</u> |
| | A-2 | | A-1 | A-A-1 | |
| REF. | | | | | |
| Appropriation by 40A-4-87 | \$ 2,415,401.45 | | | | |
| Budget | <u>33,030,721.39</u> | | | | |
| | \$ 35,446,122.84 | | | | |
| Cash Disbursements | | \$ 30,775,387.23 | | | |
| Reserve for Encumbrances | | 779,338.77 | | | |
| Reserve for Grants Appropriated | | 2,959,614.45 | | | |
| Deferred Charges | | 60,000.00 | | | |
| Reserve for Uncollected Taxes | | <u>1,220,000.00</u> | | | |
| | | \$ 35,794,320.45 | | | |
| Less: Refunds Cash | | <u>1,263,246.99</u> | | | |
| | | <u>\$ 34,531,073.46</u> | | | |

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

TRUST FUND

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2022</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|---------------------------------|-------------|--|--|
| <u>ASSETS</u> | | | |
| Assessment Fund: | | | |
| Cash | B-2:B-3 | \$ 1,398,378.53 | \$ 1,080,015.60 |
| Assessments Receivable | B-4 | 2,189,265.01 | 2,496,647.04 |
| Amount to be Raised by Taxation | B-5 | | 233,892.39 |
| | | <u>\$ 3,587,643.54</u> | <u>\$ 3,810,555.03</u> |
| Animal Control Fund: | | | |
| Cash | B-2 | \$ 28,857.88 | \$ 46,188.38 |
| Other Funds: | | | |
| Cash | B-2 | \$ 27,709,782.97 | \$ 26,616,748.65 |
| Interfunds Receivable | B-15 | 1,972,229.56 | |
| Deficit to be Raised | B-8 | | 25,429.82 |
| | | <u>\$ 29,682,012.53</u> | <u>\$ 26,642,178.47</u> |
| | | <u>\$ 33,298,513.95</u> | <u>\$ 30,498,921.88</u> |

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

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Assessment Fund: | | | |
| Interfunds Payable | B-7 | \$ 1,053,802.61 | \$ 728,052.77 |
| Assessment Serial Bonds | B-9 | 196,700.00 | 224,800.00 |
| Assessment Loans | B-10 | <u>2,337,140.93</u> | <u>2,857,702.26</u> |
| | | \$ <u>3,587,643.54</u> | \$ <u>3,810,555.03</u> |
| Animal Control Fund: | | | |
| Interfunds Payable | B-11 | \$ 88.40 | \$ 57.18 |
| Encumbrances Payable | B-6 | 6,468.00 | 50.00 |
| Reserve for Animal Control Expenditures | B-13 | <u>22,301.48</u> | <u>46,081.20</u> |
| | | \$ <u>28,857.88</u> | \$ <u>46,188.38</u> |
| Other Funds: | | | |
| Encumbrances Payable | B-14 | \$ 138,279.03 | \$ 22,610.00 |
| Interfunds Payable | B-15 | 4,690.00 | 61,136.04 |
| Reserve For: | | | |
| Recreation Commission Expenditures | B-18 | 45,857.07 | |
| Various Trust Deposits | B-19 | 8,203,589.79 | 7,338,905.82 |
| Sanitary Landfill | B-16 | 10,980.67 | 11,054.61 |
| Township Open Space | B-17 | <u>21,278,615.97</u> | <u>19,208,472.00</u> |
| | | \$ <u>29,682,012.53</u> | \$ <u>26,642,178.47</u> |
| | | \$ <u><u>33,298,513.95</u></u> | \$ <u><u>30,498,921.88</u></u> |

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

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GENERAL CAPITAL FUND

"C"

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2:C-3 | \$ 1,415,578.42 | \$ 14,441,968.71 |
| Deferred Charges to Future Taxation - Funded | C-4 | 872,671.85 | 736,298.17 |
| Deferred Charges to Future Taxation - Unfunded | C-5 | 24,239,883.61 | 26,942,335.98 |
| Interfunds Receivable | C-10 | 768,418.11 | 2,795,765.73 |
| Overexpenditure of Ordinance Appropriation | C-15 | 69,526.77 | |
| Accounts Receivable | C-11 | 250,000.00 | 289,962.86 |
| | | <u>\$ 27,616,078.76</u> | <u>\$ 45,206,331.45</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Bond Anticipation Notes | C-13 | \$ 20,105,877.00 | \$ 20,527,877.00 |
| N.J.E.I.T. Loan Payable | C-12 | 872,671.85 | 736,298.17 |
| Improvement Authorizations: | | | |
| Funded | C-7 | 1,009,469.43 | 1,745,061.59 |
| Unfunded | C-7 | 2,084,041.50 | 17,470,353.64 |
| Reserve for: | | | |
| Contracts Payable | C-6 | 793,091.93 | 2,263,330.72 |
| Various Reserves | C-14 | 68,905.00 | 68,905.00 |
| Developers Contribution Deposits | C-9 | 1,818,940.95 | 1,816,940.95 |
| Interfunds Payable | C-10 | 323,878.53 | 323,878.53 |
| Capital Improvement Fund | C-8 | 149,426.83 | 166,426.83 |
| Fund Balance | C-1 | 389,775.74 | 87,259.02 |
| | | <u>\$ 27,616,078.76</u> | <u>\$ 45,206,331.45</u> |

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

"C-1"

TOWNSHIP OF HILLSBOROUGH
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | | |
|-------------------------------------|-------------|----|--------------------------|
| Balance, December 31, 2021 | C | \$ | 87,259.02 |
| Increased by: | | | |
| Cash Receipts | C-2 | \$ | 58,320.34 |
| Improvement Authorizations Canceled | C-7 | | <u>320,721.77</u> |
| | | | 379,042.11 |
| | | \$ | <u>466,301.13</u> |
| Decreased by: | | | |
| Appropriated as Current | | | |
| Fund Revenue | C-2 | | <u>76,525.39</u> |
| Balance, December 31, 2022 | C | \$ | <u><u>389,775.74</u></u> |

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

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GENERAL FIXED ASSET ACCOUNT GROUP

"G"

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

| | BALANCE DECEMBER <u>31, 2022</u> | BALANCE DECEMBER <u>31, 2021</u> |
|-------------------------------------|--|--|
| Fixed Assets: | | |
| Land | \$ 22,052,000.00 | \$ 22,052,000.00 |
| Buildings | 62,450,200.00 | 62,450,200.00 |
| Machinery and Equipment | <u>12,411,896.00</u> | <u>12,100,251.00</u> |
| <u>Total Fixed Assets</u> | <u>\$ 96,914,096.00</u> | <u>\$ 96,602,451.00</u> |
| Reserve: | | |
| Investments in General Fixed Assets | <u>\$ 96,914,096.00</u> | <u>\$ 96,602,451.00</u> |

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HILLSBOROUGH

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

Trust Fund - receipts, custodianship and 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

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

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, 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 Township 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 \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounting for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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

Fixed assets acquired through grants in aid or contributed capital has 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 costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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

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

Accounting and Financial Reporting for 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Accounting (Continued)

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

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.

Leases

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases (Continued)

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

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, 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 require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

The Township of Hillsborough had the following cash and cash equivalents at December 31, 2022:

| <u>Fund Type:</u> | <u>Bank Balance</u> | <u>N.J. Cash Management</u> | <u>Reconciling Items</u> | | <u>Reconciled Balance</u> |
|--------------------------------|-------------------------|---------------------------------|--------------------------|------------------------|-------------------------------|
| | | | <u>Additions</u> | <u>Deletions</u> | |
| Current Fund | \$ 10,354,826.92 | \$ 212,761.94 | \$ 860,380.25 | \$ 258,599.82 | \$ 11,169,369.29 |
| Grant Fund | 3,055,858.13 | | | 22,055.93 | 3,033,802.20 |
| Assessment Trust Fund | 1,390,751.21 | | 7,627.32 | | 1,398,378.53 |
| Animal Control Fund | 28,857.88 | | | | 28,857.88 |
| Other Trust Fund | 28,741,115.50 | | 207,059.69 | 1,238,392.22 | 27,709,782.97 |
| General Capital Fund | 1,401,558.42 | 15,000.00 | | 980.00 | 1,415,578.42 |
| <u>TOTAL DECEMBER 31, 2022</u> | <u>\$ 44,972,968.06</u> | <u>\$ 227,761.94</u> | <u>\$ 1,075,067.26</u> | <u>\$ 1,520,027.97</u> | <u>\$ 44,755,769.29</u> |

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2022, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$787,214.45 was covered by Federal Depository Insurance and \$44,185,753.61 was covered under the provisions of NJGUDPA. The New Jersey Cash Management Fund (NJCMF) is an investment pool and is not insured by either FDIC or GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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, 2022, the Township has \$227,761.94 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

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 Township are general obligation bonds, backed by the full faith and credit of the Township.

SUMMARY OF MUNICIPAL DEBT

| | <u>YEAR 2022</u> | <u>YEAR 2021</u> | <u>YEAR 2020</u> |
|-------------------------------------|-------------------------|-------------------------|-------------------------|
| <u>Issued:</u> | | | |
| General: | | | |
| Bonds and Notes | \$ 20,105,877.00 | \$ 20,527,877.00 | \$ 6,234,867.00 |
| Loans | 872,671.85 | 736,298.17 | 823,529.84 |
| Assessment: | | | |
| Bonds | 196,700.00 | 224,800.00 | 252,900.00 |
| Loans | 2,337,140.93 | 2,857,702.26 | 3,149,658.24 |
| Less: Funds Temporarily Held to Pay | | | |
| Bonds and Notes - General Capital | 2,476.72 | | |
| Open Space Bonds | | | 620,000.00 |
| Assessment Fund Cash | <u>344,575.92</u> | <u>585,814.83</u> | <u>632,243.20</u> |
| <u>Net Debt Issued</u> | \$ 23,165,337.14 | \$ 23,760,862.60 | \$ 9,208,711.88 |
| <u>Authorized But Not Issued:</u> | | | |
| General: | | | |
| Bonds and Notes | <u>4,136,483.33</u> | <u>6,414,458.98</u> | <u>9,234,476.98</u> |
| Net Bonds and Notes | | | |
| Authorized But Not Issued | <u>\$ 27,301,820.47</u> | <u>\$ 30,175,321.58</u> | <u>\$ 18,443,188.86</u> |

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .371%.

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|----------------------|-------------------------|-------------------------|-------------------------|
| Regional School Debt | \$ 33,940,000.00 | \$ 33,940,000.00 | \$ |
| General Debt | <u>27,648,873.11</u> | <u>347,052.64</u> | <u>27,301,820.47</u> |
| | <u>\$ 61,588,873.11</u> | <u>\$ 34,287,052.64</u> | <u>\$ 27,301,820.47</u> |

NET DEBT \$27,301,820.47 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2 \$7,359,016,055.33 EQUALS .371%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED):

EQUALIZED VALUATION BASIS

| | |
|---|----------------------------|
| 2020 Equalized Valuation Basis of Real Property | \$ 6,836,669,183.00 |
| 2021 Equalized Valuation Basis of Real Property | 7,320,626,042.00 |
| 2022 Equalized Valuation Basis of Real Property | <u>7,919,752,941.00</u> |
| | <u>\$ 7,359,016,055.33</u> |

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

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

| | |
|--|----------------------------|
| Equalized Valuation Basis - December 31, 2022 | \$ <u>7,359,016,055.33</u> |
| 4% of Equalized Valuation Basis | \$ 294,360,642.21 |
| Net Debt | <u>27,301,820.47</u> |
| Remaining Borrowing Power at December 31, 2022 | \$ <u>267,058,821.74</u> |

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 4% of the Average Equalized Assessed Valuation of real property for the Local School District.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT

Assessment Trust Fund

Assessment Serial Bonds:

\$562,000.00 of 2009 Assessment Bonds due in annual installments of \$28,100.00 through June 2029 at an interest rate of 5.00%. \$ 196,700.00

Assessment Loans:

\$1,103,238.01 of 2010 New Jersey Environmental Infrastructure Trust Loans due in installments of \$39,658.88 to \$82,923.12 through August 2029 at an interest rates of 3% to 5%. \$ 529,986.89

\$3,188,527.89 of 2010 New Jersey Environmental Infrastructure Fund Loans due in installments of \$177,140.43 through August 2029 at an interest rate 0%. 1,239,983.16

\$855,983.00 of 2016 New Jersey Environmental Infrastructure Fund Loans, net of savings credit of \$42,173.00, due in installments of \$1,351.73 to \$43,524.55 through August 2036 at an interest rate 0%. 567,170.88
\$ 2,337,140.93

General Capital Fund

New Jersey Environmental Infrastructure Trust Loans:

\$426,761.99 of 2010 New Jersey Environmental Infrastructure Trust Loans, net of \$55,000 savings credit, due in installments of \$15,341.12 to \$26,076.88 through August 2029 at an interest rates of 3% to 5%. \$ 168,013.11

\$1,233,408.11 of 2010 New Jersey Environmental Infrastructure Trust Loans due in installments of \$68,522.67 through August 2029 at an interest rate 0%. 479,658.74

\$275,000.00 of 2016 New Jersey Environmental Infrastructure Trust Loans due in installments of \$10,000.00 to \$20,000.00 through August 2036 at an interest rates of 3% to 5%. 225,000.00
\$ 872,671.85

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2022

| CALENDER YEAR | ASSESSMENT | | TOTAL |
|------------------|----------------------|---------------------|----------------------|
| | PRINCIPAL | INTEREST | |
| 2023 | \$ 28,100.00 | \$ 9,132.50 | \$ 37,232.50 |
| 2024 | 28,100.00 | 7,727.50 | 35,827.50 |
| 2025 | 28,100.00 | 6,322.50 | 34,422.50 |
| 2026 | 28,100.00 | 4,917.50 | 33,017.50 |
| 2027 | 28,100.00 | 3,512.50 | 31,612.50 |
| 2028 | 28,100.00 | 2,107.50 | 30,207.50 |
| 2029 | 28,100.00 | 702.50 | 28,802.50 |
| | <u>\$ 196,700.00</u> | <u>\$ 34,422.50</u> | <u>\$ 231,122.50</u> |

SCHEDULE OF ANNUAL DEBT SERVICE FOR NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE
DECEMBER 31, 2022

| CALENDER YEAR | GENERAL | | ASSESSMENT | | TOTAL |
|------------------|----------------------|----------------------|------------------------|---------------------|------------------------|
| | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | |
| 2023 | \$ 100,020.96 | \$ 16,649.08 | \$ 289,166.69 | \$ 20,820.92 | \$ 426,657.65 |
| 2024 | 105,020.96 | 15,289.16 | 289,166.69 | 18,080.84 | 427,557.65 |
| 2025 | 106,415.61 | 13,679.22 | 292,772.04 | 15,340.78 | 428,207.65 |
| 2026 | 107,810.26 | 12,013.50 | 296,377.39 | 12,456.50 | 428,657.65 |
| 2027 | 109,204.91 | 9,913.44 | 299,982.74 | 9,806.56 | 428,907.65 |
| 2028 | 109,599.55 | 8,286.16 | 303,588.10 | 6,633.84 | 428,107.65 |
| 2029 | 109,599.60 | 6,643.08 | 303,588.25 | 3,316.92 | 423,147.85 |
| 2030 | 15,000.00 | 5,000.00 | 43,524.55 | | 63,524.55 |
| 2031 | 15,000.00 | 4,400.00 | 43,524.55 | | 62,924.55 |
| 2032 | 20,000.00 | 3,800.00 | 43,524.55 | | 67,324.55 |
| 2033 | 20,000.00 | 3,000.00 | 43,524.55 | | 66,524.55 |
| 2034 | 20,000.00 | 2,200.00 | 43,524.55 | | 65,724.55 |
| 2035 | 20,000.00 | 1,400.00 | 43,524.55 | | 64,924.55 |
| 2036 | 15,000.00 | 600.00 | 1,351.73 | | 16,951.73 |
| | <u>\$ 872,671.85</u> | <u>\$ 102,873.64</u> | <u>\$ 2,337,140.93</u> | <u>\$ 86,456.36</u> | <u>\$ 3,399,142.78</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2022, the Township has authorized but not issued bonds and notes as follows:

| | |
|----------------------|-----------------------|
| General Capital Fund | <u>\$4,136,483.33</u> |
|----------------------|-----------------------|

SHORT-TERM DEBT

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

(1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;

(2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and

(3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

| | <u>Interest Rate</u> | <u>Amount</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> |
|---------|--------------------------|-------------------------|--------------------------|-----------------------------|
| 2013-16 | 4.450% | \$ 66,877.00 | 11/22/2022 | 11/22/2023 |
| 2014-10 | 4.450% | 855,000.00 | 11/22/2022 | 11/22/2023 |
| 2018-14 | 2.000% | 5,789,000.00 | 02/16/2022 | 02/16/2023 |
| 2021-15 | 5.500% | <u>13,395,000.00</u> | 12/08/2022 | 12/08/2023 |
| | | <u>\$ 20,105,877.00</u> | | |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SHORT-TERM DEBT (CONTINUED)

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Township may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year and bear an interest rate that does not exceed 6%. The Township did not have any Tax Anticipation Notes in 2022.

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023 were as follows:

| | |
|--------------|----------------|
| Current Fund | \$4,500,000.00 |
|--------------|----------------|

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 Township bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

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

| | BALANCE DECEMBER 31, 2022 | BALANCE DECEMBER 31, 2021 |
|---------------|---------------------------------|---------------------------------|
| Prepaid Taxes | <u>\$1,144,165.11</u> | <u>\$1,171,563.45</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.

Plan Descriptions

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

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

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

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

Funding Policy

The contribution policy 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 2021, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2022, PERS provides for employee contributions of 7.50% of employees' base salary.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

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.

Certain portions of the costs are contributed by the employees. The Township's share of PERS and PFRS pension costs, which is based upon the annual billings received from the State, amounted to:

| <u>YEAR</u> | <u>PERS</u> | <u>PFRS</u> | <u>DCRP</u> |
|-------------|-----------------|-----------------|-------------|
| 2022 | \$ 1,198,949.00 | \$ 1,958,482.00 | \$ 9,472.47 |
| 2021 | \$ 1,067,953.00 | \$ 1,983,303.00 | \$ 9,969.86 |
| 2020 | \$ 934,643.00 | \$ 1,741,896.00 | \$ 8,044.77 |

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

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

Accounting and Financial Reporting for Pensions – GASB 68

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$15,845,677.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Township's proportion was 0.1049982219 percent, which was an increase of 0.0026216196 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 \$662,844.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2022 billing was \$1,198,949.00.

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 | \$ 114,367.00 | \$ 100,855.00 |
| Changes of assumptions | 49,095.00 | 2,372,725.00 |
| Net difference between projected and actual earnings on pension plan investments | 655,838.00 | |
| Changes in proportion and differences between Township contributions and proportionate share of contributions | <u>1,350,747.00</u> | <u>134,366.00</u> |
| | <u>\$ 2,170,047.00</u> | <u>\$ 2,607,946.00</u> |

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

| <u>Year Ended June 30,</u> | <u>Amount</u> |
|--------------------------------|-----------------------|
| 2023 | (\$1,115,949.80) |
| 2024 | (449,203.80) |
| 2025 | (94,432.80) |
| 2026 | 980,029.20 |
| 2027 | 241,658.20 |
| | <u>(\$437,899.00)</u> |

Actuarial Assumptions

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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 assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

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

| | June 30, 2022 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the pension liability | \$20,357,053.00 | \$15,845,677.00 | \$12,006,314.00 |

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. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of December 31, 2022 was 0.1054177063%, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$33,340.00.

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2022, the State reported a net pension liability of \$20,254,317.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2022, the Township's proportion was 0.1769499100 percent, which was an increase of 0.0089068400 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 \$228,889.00. The pension expense recognized in the Township's financial statements based on the April 1, 2022 billing was \$1,958,482.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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 | \$ 916,765.00 | \$ 1,240,852.00 |
| Changes of assumptions | 55,509.00 | 2,549,618.00 |
| Net difference between projected and actual earnings on pension plan investments | 1,854,700.00 | |
| Changes in proportion and differences between Township contributions and proportionate share of contributions | <u>1,436,602.00</u> | <u>1,044,301.00</u> |
| | <u>\$ 4,263,576.00</u> | <u>\$ 4,834,771.00</u> |

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

| <u>Year Ended June 30</u> | <u>Amount</u> |
|-------------------------------|------------------------|
| 2023 | \$ (934,578.80) |
| 2024 | (568,934.80) |
| 2025 | (538,254.80) |
| 2026 | 1,366,683.20 |
| 2027 | 90,875.20 |
| Thereafter | <u>13,015.00</u> |
| | <u>\$ (571,195.00)</u> |

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 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:

| | |
|---------------------------|------------------------------|
| 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 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)

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 both 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

| | June 30, 2022 | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the PFRS pension liability | \$27,791,110.00 | \$20,254,317.00 | \$13,979,900.00 |

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 Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2022 and 2021 is 0.17694974% and 0.1680429171% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2022 and 2021 was \$448,764.00 and \$300,086.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was \$415,884.00 and \$384,726.00, respectively.

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$3,604,675.00 and \$3,454,457.00, respectively.

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

| | |
|--|------------------------|
| Township's Proportionate Share of Net Pension Liability | \$20,254,317.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township | <u>3,604,675.00</u> |
| | <u>\$23,858,992.00</u> |

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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 existing personnel policies of the Township, and in accordance with union contracts, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date. The Township's management has estimated the liability to be \$1,103,530.93 at December 31, 2022. The Township has established a Trust Fund Reserve which has accumulated \$2,465.98 for this purpose.

NOTE 8: LITIGATION

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

NOTE 9: TAX APPEALS

There are a number of tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2022. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The balance in reserve at December 31, 2021 is \$19,947.53.

NOTE 10: DEFERRED COMPENSATION PLAN

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

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

The Plan is administered by the Equitable Company or the Valic Company.

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

NOTE 11: RISK MANAGEMENT

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

NOTE 12: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreement and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Single Audit Section, of the 2022 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2022, the Township does not believe that any material liabilities will result from such audits.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2022:

| <u>FUND</u> | <u>INTERFUND RECEIVABLE</u> | <u>INTERFUND PAYABLE</u> |
|------------------|---------------------------------|------------------------------|
| Current | \$ 849,245.10 | \$ 2,438,995.00 |
| Grant | 328,568.53 | 97,006.76 |
| Assessment Trust | | 1,053,802.61 |
| Animal Control | | 88.40 |
| Trust Other | 1,972,229.56 | 4,690.00 |
| General Capital | <u>768,418.11</u> | <u>323,878.53</u> |
| TOTAL | <u>\$ 3,918,461.30</u> | <u>\$ 3,918,461.30</u> |

All balances resulted from the time lag between dates that short-term loans were disbursed and payments between funds were made. All balances will be liquidated within one year.

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

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

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

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

Plan Description and Benefits Provided (Continued)

The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

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

Special Funding Situation

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

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

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2022 and 2021, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$19,085,405.00 and \$20,199,111.00 respectively.

At June 30, 2022, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

| | |
|--|-------------------------------|
| Township's proportionate share of the Net OPEB Liability | \$0.00 |
| State of New Jersey's proportionate share of Net OPEB Liability associated with the Township | <u>19,085,405.00</u> |
| | <u><u>\$19,085,405.00</u></u> |

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

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:

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%

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 years of service within the respective plan.

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.

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

OPEB Plan Fiduciary Net Position

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

NOTE 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEAR'S BUDGET

| | BALANCE DECEMBER <u>31, 2022</u> | 2023 BUDGET APPROPRIATION | BALANCE TO SUCCEEDING <u>BUDGETS</u> |
|----------------------------|--|------------------------------|--|
| Current: | | | |
| Emergency Authorization | | | |
| Flood and Hurricane | | | |
| Damage (40A:4-53) | <u>\$ 240,000.00</u> | <u>\$ 60,000.00</u> | <u>\$180,000.00</u> |
| Capital: | | | |
| Overexpenditure of Capital | | | |
| Ordinances | <u>\$ 69,526.77</u> | <u>\$ 69,526.77</u> | <u>\$ -</u> |
| Grants Fund: | | | |
| Overexpenditure of Grants | <u>\$ 139,713.33</u> | | <u>\$139,713.33</u> |

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2022:

| | Balance December 31, <u>2021</u> | <u>Additions</u> | Balance December 31, <u>2022</u> |
|-------------------------|--|----------------------|--|
| Land | \$ 22,052,000.00 | \$ | \$ 22,052,000.00 |
| Buildings | 62,450,200.00 | | 62,450,200.00 |
| Machinery and Equipment | <u>12,100,251.00</u> | <u>311,645.00</u> | <u>12,411,896.00</u> |
| | <u>\$ 96,602,451.00</u> | <u>\$ 311,645.00</u> | <u>\$ 96,914,096.00</u> |

NOTE 17: LEASE PURCHASES

The Township has entered into sublease agreements with the Somerset County Improvement Authority to lease purchase land. In accordance with the lease agreements, the Township will be obligated to make the following rental payments:

CALENDAR

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|-------------------------|-------------------------|-------------------------|
| 2023 | \$ | \$ 1,465,156.61 | \$ 1,465,156.61 |
| 2024 | 470,000.00 | 989,578.45 | 1,459,578.45 |
| 2025 | 485,000.00 | 973,638.33 | 1,458,638.33 |
| 2026 | 500,000.00 | 956,091.76 | 1,456,091.76 |
| 2027 | 520,000.00 | 937,117.36 | 1,457,117.36 |
| 2028 | 540,000.00 | 916,596.06 | 1,456,596.06 |
| 2029 | 565,000.00 | 894,506.38 | 1,459,506.38 |
| 2030 | 585,000.00 | 870,542.90 | 1,455,542.90 |
| 2031 | 615,000.00 | 844,223.90 | 1,459,223.90 |
| 2032 | 640,000.00 | 815,926.80 | 1,455,926.80 |
| 2033 | 675,000.00 | 782,011.75 | 1,457,011.75 |
| 2034 | 715,000.00 | 742,049.25 | 1,457,049.25 |
| 2035 | 760,000.00 | 699,643.00 | 1,459,643.00 |
| 2036 | 800,000.00 | 654,793.00 | 1,454,793.00 |
| 2037 | 850,000.00 | 607,355.50 | 1,457,355.50 |
| 2038 | 895,000.00 | 560,287.93 | 1,455,287.93 |
| 2039 | 945,000.00 | 513,763.53 | 1,458,763.53 |
| 2040 | 995,000.00 | 464,710.63 | 1,459,710.63 |
| 2041 | 1,045,000.00 | 413,129.23 | 1,458,129.23 |
| 2042 | 1,100,000.00 | 358,892.90 | 1,458,892.90 |
| 2043 | 1,155,000.00 | 301,297.73 | 1,456,297.73 |
| 2044 | 1,215,000.00 | 240,187.28 | 1,455,187.28 |
| 2045 | 1,280,000.00 | 175,853.70 | 1,455,853.70 |
| 2046 | 1,350,000.00 | 108,039.15 | 1,458,039.15 |
| 2047 | <u>1,420,000.00</u> | <u>36,614.70</u> | <u>1,456,614.70</u> |
| | \$ <u>20,120,000.00</u> | \$ <u>16,322,007.83</u> | \$ <u>36,442,007.83</u> |

NOTE 18: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through October 24, 2023, which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that no subsequent events needed to be disclosed.

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TOWNSHIP OF HILLSBOROUGH
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF CASH - TREASURER

| | REF. | CURRENT FUND | GRANT FUND |
|---|-----------|-------------------|-----------------|
| Balance, December 31, 2021 | A | \$ 11,457,568.10 | \$ 1,934,644.55 |
| Increased by Receipts: | | | |
| Collector | A-5 | \$ 162,887,838.36 | \$ |
| Revenue Accounts Receivable | A-12 | 7,773,421.16 | |
| Miscellaneous Revenue Not Anticipated | A-2 | 541,484.62 | |
| State of N.J. - Senior Citizens and Veterans Deductions | A-8 | 146,002.06 | |
| Interfunds | A-13:A-30 | 24,923,095.88 | 95,554.16 |
| Petty Cash Fund | A-15 | 300.00 | |
| Grants Receivable | A-7 | | 2,589,216.16 |
| Grants-Appropriated-Refunds | A-27 | | 841.17 |
| Reserve for Grants-Unappropriated | A-28:A-33 | 169,641.54 | 3,723.03 |
| Budget Appropriation-Refunds | A-3 | 1,263,246.99 | |
| Appropriation Reserve - Refunds | A-18 | 5,908.60 | |
| Budget Appropriation - Deferred Charges | A-34 | | 55,355.49 |
| Refund Receivable | A-31 | 614,823.12 | |
| Due State of New Jersey-Construction Code Official | A-25 | 96,113.00 | |
| Due State of New Jersey-Registrar Licenses | A-26 | 2,400.00 | |
| | | \$ 198,424,275.33 | \$ 2,744,690.01 |
| | | \$ 209,881,843.43 | \$ 4,679,334.56 |
| Decreased by Disbursements: | | | |
| 2022 Appropriations | A-3 | \$ 30,775,367.23 | \$ |
| 2021 Appropriation Reserves | A-18 | 586,038.10 | |
| District School Tax | A-23 | 104,322,850.48 | |
| County Taxes Payable | A-22 | 27,917,552.16 | |
| Fire District Tax | A-29 | 4,364,178.00 | |
| Refund of Tax Overpayments | A-16 | 307,440.94 | |
| Reserve for Grants-Appropriated | A-27 | | 1,500,770.93 |
| Petty Cash Fund | A-15 | 300.00 | |
| Interfunds | A-13:A-30 | 27,244,041.69 | 144,761.43 |
| Municipal Open Space Tax | A-24 | 2,008,398.15 | |
| Reserve for Miscellaneous Deposits | A-14 | 144,490.85 | |
| Refund of Prior Year Revenue | A-1 | 32,700.00 | |
| Refund of Current Year Revenue | A-2 | 2,986.67 | |
| Reserve for Tax Appeals | A-17 | 2,815.61 | |
| Refund Receivable | A-31 | 844,904.72 | |
| Reserve for Encumbrances Payable | A-19 | 58,796.54 | |
| Due State of New Jersey-Construction Code Official | A-25 | 96,113.00 | |
| Due State of New Jersey-Registrar Licenses | A-26 | 4,150.00 | |
| | | \$ 198,713,124.14 | \$ 1,645,532.36 |
| Balance, December 31, 2022 | A | \$ 11,168,719.29 | \$ 3,033,802.20 |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

| | <u>REF.</u> | | |
|---|-------------|-------------------|---------------------------------|
| Received: | | | |
| Revenue Accounts Receivable | A-12 | \$ 230,946.90 | |
| Interfunds - Tax Sale Premiums | A-13 | 2,045,700.00 | |
| Miscellaneous Reserves - Sewer Payments | A-14 | 122,316.21 | |
| Senior Citizen Disallowed - Prior Years | A-8 | 1,750.00 | |
| Taxes Receivable | A-9 | 159,035,177.15 | |
| Tax Title Liens | A-10 | 342.05 | |
| Prepaid Taxes | A-21 | 1,144,165.11 | |
| Tax Overpayments | A-16 | <u>307,440.94</u> | |
| | | | \$ 162,887,838.36 |
| Decreased by Disbursements: | | | |
| Payments to Treasurer | A-4 | | \$ <u><u>162,887,838.36</u></u> |

"A-6"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

| <u>DEPARTMENT</u> | <u>BALANCE</u> <u>DECEMBER 31,</u> <u>2021 AND 2022</u> |
|-------------------|---|
| Tax Collector | \$ 250.00 |
| Municipal Court | 300.00 |
| Board of Health | <u>100.00</u> |
| | <u>\$ 650.00</u> |
| <u>REF.</u> | A |

TOWNSHIP OF HILLSBOROUGH

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | BALANCE DECEMBER 31, 2021 | ACCRUED 2022 BUDGET | RECEIVED | UNAPPROPRIATED APPLIED | CANCELED | BALANCE DECEMBER 31, 2022 |
|--|---------------------------------|---------------------------|-----------------|---------------------------|---------------|---------------------------------|
| 2002-Main Street Improvements -County | \$ 20,000.00 | \$ 2,090,754.38 | \$ 2,090,754.38 | \$ | \$ 20,000.00 | \$ |
| American Rescue Plan | | 2,460.91 | 2,460.91 | | | |
| Body Armor Grant- State | 4,800.00 | | | | 4,800.00 | |
| Drive Sober or Get Pulled Over | 7,452.19 | | | | 7,452.19 | |
| Child Passenger Safety Grant | | 99,061.00 | 99,061.00 | | | |
| Clean Communities Program | 167.14 | | | | 167.14 | |
| Click It or Ticket It | 186,755.86 | | | | | 186,755.86 |
| Community Development Block Grant | 7,547.00 | | | | 7,547.00 | |
| Comprehensive Traffic Safety (CTSP) | 14,670.00 | | | | 14,670.00 | |
| COPS MORE | 32,395.00 | | | | 32,395.00 | |
| COPS Secure Our Schools Grant | 3,873.60 | | | | | 3,873.60 |
| DCA - Covid Relief Fund | 39,556.00 | | | | 39,556.00 | |
| DOJ National Crime Statistics Grant | | 7,128.00 | | 7,128.00 | | |
| Dunk Driving Enforcement Fund | | | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 11,077.00 | | | | 11,077.00 | |
| Electronic Charging Station | 8,000.00 | | | | | 8,000.00 |
| Emergency Management Grant | | 15,000.00 | 10,000.00 | 5,000.00 | | |
| H1N1 Preparedness Grant | 21,849.90 | | | | | 21,849.90 |
| Handicapped Recreation Opportunities Grant | 20,000.00 | | | | 20,000.00 | |
| Hang up and Just Drive | 2,425.00 | | | | 2,425.00 | |
| Historic Preservation Grant 2012 and prior | 105,775.00 | | | | | 105,775.00 |
| Historic Preservation Grant | 146,969.00 | | | | | 146,969.00 |
| Historic Preservation Grant 2019/2020 | 211,890.00 | | | | | 211,890.00 |
| Highway Safety Grant | | 36,253.00 | 36,253.00 | | | |
| Municipal Alliance Drug Program | 61,607.11 | 28,436.00 | 11,744.71 | | | 78,298.40 |
| Natural Resources Inventory Grant (ANJEC) | 6,070.00 | | | | 6,070.00 | |
| NJ DOT - Wertsville Road | 150,000.00 | | | | 150,000.00 | |
| NJ Transportation Trust Fund Authority Act - Montgomery Road | 26,183.31 | | | | 26,183.31 | |
| NJ Transportation Trust Fund Authority Act - Mountainview Road | 108,828.26 | | | | 108,828.26 | |
| NJ Transportation Trust Fund - New Amwell Phase I (2015) | 95,052.32 | | | | 95,052.32 | |
| Obey the Signs, Pay the Fines | 9,065.70 | | | | 9,065.70 | |
| Pandemic Flu Preparedness Plan | 1,696.00 | | | | 1,696.00 | |
| Pedestrian Safety Grant | 16,070.00 | | | | 16,070.00 | |
| Planning Assistance Grant | 518.00 | | | | 518.00 | |
| Recreation Opportunities for Individuals with Disabilities | | 10,000.00 | | | | 10,000.00 |
| Recycling Tonnage Grant | | 38,533.16 | 38,533.16 | | | |
| Safe and Secure Communities | 8,362.00 | | 32,279.00 | | | 8,483.00 |
| Somerset County Open Space/Recreation Grant | | 250,000.00 | | | | 250,000.00 |
| Strengthening Local Public Health | 40,963.00 | | 249,030.00 | | | |
| Sustainable Hillsborough | 111.00 | | | | | 111.00 |
| Take A Hike In Hillsborough | 10,500.00 | | | | 10,500.00 | |
| Vaccination Supplement Grant | | 104,445.00 | | 4,444.96 | | 100,000.04 |
| Whip Grant | 12,664.00 | | | | 12,664.00 | |
| Youth Services Grant | 6,483.56 | 18,650.00 | 19,100.00 | 3,150.00 | | 2,883.56 |
| | \$ 1,399,376.95 | \$ 2,941,188.45 | \$ 2,589,216.16 | \$ 19,722.96 | \$ 596,736.92 | \$ 1,134,889.36 |
| | A | A-2 | A-4 | A-28 | | A |

REF.

Reserve for Grants Appropriated
Canceled

A-27
A-30

\$ 759,280.60
(162,543.68)
\$ 596,736.92

"A-8"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS
PER CHAPTER 20, P.L. 1971

| | <u>REF.</u> | | |
|---|-------------|----|------------------------|
| Balance, December 31, 2021 | A | \$ | 4,752.06 |
| Increased by: | | | |
| Senior Citizens Deductions Per Tax Billing | | \$ | 18,000.00 |
| Veterans Deductions Per Tax Billing | | | 125,000.00 |
| Senior Citizens Deductions Allowed by Tax Collector | | | <u>4,000.00</u> |
| | | | 147,000.00 |
| | | \$ | <u>151,752.06</u> |
| Decreased by: | | | |
| Deductions Disallowed by Collector: | | | |
| Received in Cash From State | A-4 | \$ | 146,002.06 |
| Prior Year Deductions Disallowed by Tax Collector | A-5 | | 1,750.00 |
| Current Year Deductions Disallowed by Tax Collector | | | <u>588.36</u> |
| | | | <u>148,340.42</u> |
| Balance, December 31, 2022 | A | \$ | <u><u>3,411.64</u></u> |

ANALYSIS OF STATE SHARE OF CURENT YEAR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

| | | | |
|---|-----|----|--------------------------|
| Senior Citizens Deductions Per Tax Billing | | \$ | 18,000.00 |
| Veterans Deductions Per Tax Billing | | | 125,000.00 |
| Deductions Allowed by Tax Collector: | | | |
| Senior Citizens | | | <u>4,000.00</u> |
| | | \$ | <u>147,000.00</u> |
| Less: Deductions Disallowed by Tax Collector: | | | |
| Senior Citizens | | | <u>588.36</u> |
| | A-9 | \$ | <u><u>146,411.64</u></u> |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| <u>YEAR</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>2022 LEVY</u> | <u>CASH COLLECTIONS</u> | <u>CANCELED</u> | <u>TRANSFERRED TO TAX TITLE LIENS</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|-------------|--|----------------------|-------------------------|-----------------|---|--|
| | | | <u>2021</u> | | | |
| 2017 | \$ 1,594.80 | \$ | \$ | \$ | \$ | \$ 1,594.80 |
| 2018 | 14,314.03 | | | | | 9,484.33 |
| 2019 | 10,896.74 | | | | | 8,408.71 |
| 2020 | 17,938.37 | | | | | 7,850.95 |
| 2021 | 1,006,632.46 | | | 7.84 | | 8,458.78 |
| | \$ 1,051,376.40 | \$ | \$ 1,015,667.33 | 7.84 | \$ | 35,797.57 |
| 2022 | | 160,215,892.75 | 1,171,563.45 | 14,972.18 | 44,855.50 | 818,580.16 |
| | \$ 1,051,376.40 | \$ 160,215,892.75 | \$ 1,171,563.45 | \$ 14,980.02 | \$ 44,855.50 | \$ 854,377.73 |
| <u>REF.</u> | A | | A-2-A-21 | | A-10 | A |

Collector
State of New Jersey

A-5
A-8

\$ 159,035,177.15
146,411.64
\$ 159,181,588.79

ANALYSIS OF 2022 PROPERTY TAX LEVY

TAX YIELD
General Property Tax
Added and Omitted Tax (54.4-63.1 et. seq.)

\$ 159,418,030.33
797,862.42
\$ 160,215,892.75

TAX LEVY
District School Tax
County Taxes:
County Tax
County Library Tax
County Open Space
Due County for Added Taxes (54.4-63.1 et. seq.)

A-23 104,300,350.00
A-22 22,394,246.60
A-22 3,213,795.69
A-22 2,178,000.00
A-22 131,509.87

Fire District Tax
Local Tax for Municipal Purposes
Local Open Space
Additional Tax Levied

27,917,552.16
4,364,178.00
20,843,740.00
2,008,398.15
781,674.44
\$ 160,215,892.75

"A-10"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | |
|---------------------------------|-------------|-----------------------------|
| Balance, December 31, 2021 | A | \$ 395,373.43 |
| Increased by: | | |
| Transfers From Taxes Receivable | A-9 | 44,855.50 |
| | | \$ <u>440,228.93</u> |
| Decreased by: | | |
| Cash Receipts | A-2:A-5 | <u>342.05</u> |
| Balance, December 31, 2022 | A | \$ <u><u>439,886.88</u></u> |

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

| | | |
|----------------------------|---|-------------------------------|
| Balance, December 31, 2021 | A | \$ 1,642,200.00 |
| Balance, December 31, 2022 | A | \$ <u><u>1,642,200.00</u></u> |

"A-12"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| REF. | | BALANCE DECEMBER 31, 2021 | ACCRUED IN 2022 | COLLECTED BY | | BALANCE DECEMBER 31, 2022 |
|------|---|---------------------------------|--------------------|---------------|-----------------|---------------------------------|
| | | | | COLLECTOR | TREASURER | |
| | Clerk: | | | | | |
| | Licenses: | | | | | |
| A-2 | Alcoholic Beverage Licenses | | \$ 37,688.00 | \$ | \$ 37,688.00 | \$ |
| A-2 | Other | | 12,285.15 | | 12,285.15 | |
| A-2 | Fees and Permits | | 6,900.17 | | 6,900.17 | |
| A-2 | Board of Health: | | | | | |
| A-2 | Fees and Permits | | 18,035.00 | | 18,035.00 | |
| A-2 | Other Licenses | | 27,610.00 | | 27,610.00 | |
| A-2 | Registrar: | | | | | |
| A-2 | Fees and Permits | | 4,435.00 | | 4,435.00 | |
| A-2 | Other Licenses | | 288.00 | | 288.00 | |
| A-2 | Recreation: | | | | | |
| A-2 | Fees and Permits | | 25,365.24 | | 25,365.24 | |
| A-2 | Construction Code Official: | | | | | |
| A-2 | Fees and Permits | | 2,013,003.96 | | 2,013,003.96 | |
| A-2 | Zoning: | | | | | |
| A-2 | Fees and Permits | | 9,492.50 | | 9,492.50 | |
| A-2 | Miscellaneous: | | | | | |
| A-2 | Fees and Permits | | 111,066.33 | | 111,066.33 | |
| A-2 | Municipal Court: | | | | | |
| A-2 | Fines and Costs | 17,700.83 | 207,080.84 | | 209,877.62 | 14,904.05 |
| A-2 | Police Department: | | | | | |
| A-2 | Fees and Permits | | 5,103.10 | | 5,103.10 | |
| A-2 | Planning Board/Board of Adjustment: | | | | | |
| A-2 | Fees and Permits | | 59,240.00 | | 59,240.00 | |
| A-2 | Engineering: | | | | | |
| A-2 | Fees and Permits | | 17,032.00 | | 17,032.00 | |
| A-2 | Tax Assessor: | | | | | |
| A-2 | Fees and Permits | | 1,600.79 | | 1,600.79 | |
| A-2 | Interest on Investments and Deposits | | 358,292.49 | | 358,292.49 | |
| A-2 | Health Officer - Borough of Millstone | | 19,528.00 | | 19,528.00 | |
| A-2 | Interest and Costs on Taxes | | 230,946.90 | 230,946.90 | | |
| A-2 | Energy Receipts Tax | | 3,252,088.00 | | 3,252,088.00 | |
| A-2 | Garden State Preservation Trust Fund | | 13,576.00 | | 13,576.00 | |
| A-2 | Cable TV Fees | | 60,844.01 | | 60,844.01 | |
| A-2 | Somerset County Library System | | 42,793.00 | | 42,793.00 | |
| A-2 | Cell Tower Lease | | 105,205.25 | | 105,205.25 | |
| A-2 | Capital Surplus | | 76,525.39 | | 76,525.39 | |
| A-2 | Operating Contribution - Hillsborough Promenade | | 42,356.12 | | 42,356.12 | |
| A-2 | Contribution from Somerville Business Park | | 889,657.76 | | 889,657.76 | |
| A-2 | Shared Service - Municipal Court | | 133,122.89 | | 133,122.89 | |
| A-2 | Shared Service - Municipal Court - Manville | | 157,565.87 | | 157,565.87 | |
| A-2 | Shared Service - Municipal Court - Montgomery | | 36,333.32 | | 36,333.32 | |
| A-2 | Board of Education Rent | | 26,530.20 | | 26,530.20 | |
| | | \$ 17,700.83 | \$ 8,001,571.28 | \$ 230,946.90 | \$ 7,773,421.16 | \$ 14,904.05 |
| REF. | | A | | A-5 | A-4 | A |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF INTERFUNDS

| REF. | TOTAL | GRANT FUND | ASSESSMENT TRUST FUND | ANIMAL CONTROL TRUST FUND | OPEN SPACE TRUST FUNDS | TRUST OTHER FUNDS | GENERAL CAPITAL FUND |
|----------------------------|------------------|-----------------|-----------------------------|---------------------------------|------------------------------|-------------------------|----------------------------|
| Balance, December 31, 2021 | | | | | | | |
| A | \$ 442,532.34 | \$ | \$ 376,518.67 | \$ 57.18 | \$ | \$ 65,956.49 | \$ 2,444,231.63 |
| A | 2,451,645.73 | 2,593.65 | | | 4,820.45 | | |
| Transfer | \$ 18,426.00 | \$ 18,426.00 | \$ | \$ | \$ | \$ | \$ |
| A-30 | 2,045,700.00 | | | | | 2,045,700.00 | |
| A-5 | 24,923,095.88 | 2,233,114.00 | 32,700.00 | | 2,008,398.15 | 38,331.00 | 20,610,552.73 |
| A-4 | 26,987,221.88 | 2,251,540.00 | 32,700.00 | | 2,008,398.15 | 2,084,031.00 | 20,610,552.73 |
| Treasurer-Disbursements | \$ 27,244,041.69 | \$ 2,188,596.73 | \$ 367,342.23 | \$ 31.22 | \$ | \$ 2,059,063.55 | \$ 22,629,007.96 |
| A-4 | 162,543.68 | 162,543.68 | | | | | |
| A-7/A-30 | 27,406,585.37 | 2,351,140.41 | 367,342.23 | 31.22 | | 2,059,063.55 | 22,629,007.96 |
| Grants Canceled - Net | | | | | | | |
| Balance, December 31, 2022 | | | | | | | |
| A | \$ 849,245.10 | \$ 97,006.76 | \$ 711,160.90 | \$ 88.40 | \$ 2,013,218.60 | \$ 40,989.04 | \$ 425,776.40 |
| A | 2,438,995.00 | | | | | | |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

| | BALANCE DECEMBER 31, 2021 | INCREASED BY | | DECREASED BY | | BALANCE DECEMBER 31, 2022 |
|----------------------------|---------------------------------|----------------------|-----------------------|-------------------------|----|---------------------------------|
| | | CASH RECIEPTS | CASH DISBURSEMENTS | ENCUMBRANCES PAYABLE | | |
| Master Plan | \$ 18,100.27 | \$ | \$ | | \$ | 18,100.27 |
| Miscellaneous Deposits | 16,452.18 | | | | | 16,452.18 |
| DPW Remediation | 30,734.48 | | | | | 30,734.48 |
| Quiet Zones | 66,985.62 | | | | | 66,985.62 |
| Tax Maps | 6,228.14 | | | | | 6,228.14 |
| Revaluation | 31,548.00 | | | | | 31,548.00 |
| State Library Aid | 8,595.00 | | | | | 8,595.00 |
| Sewer Payments | 27,239.89 | 122,316.21 | 122,316.21 | 1,858.56 | | 3,206.69 |
| Tropical Storm IDA | 1,000.00 | | 22,174.64 | | | 1,000.00 |
| Landfill Cleanup | | | | | | |
| | <u>\$ 206,883.58</u> | <u>\$ 122,316.21</u> | <u>\$ 144,490.85</u> | <u>\$ 1,858.56</u> | | <u>\$ 182,850.38</u> |
| REF. | A | A-5 | A-4 | A-19 | | A |
| Balance, December 31, 2021 | \$ 193,726.44 | | | | | |
| Encumbrances Payable | <u>13,157.14</u> | | | | | |
| | <u>\$ 206,883.58</u> | | | | | |

"A-15"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF PETTY CASH FUND

| <u>DEPARTMENT</u> | <u>CASH DISBURSEMENTS</u> | <u>CASH RECEIPTS</u> |
|-------------------|-------------------------------|--------------------------|
| Treasurer | \$ <u>300.00</u> | \$ <u>300.00</u> |
| | \$ <u><u>300.00</u></u> | \$ <u><u>300.00</u></u> |
| <u>REF.</u> | A-4 | A-4 |

"A-16"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

REF.

| | | | |
|--------------------|-----|----|-------------------|
| Increased by: | | | |
| Cash Receipts | A-5 | \$ | 307,440.94 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u>307,440.94</u> |

"A-17"

SCHEDULE OF RESERVE FOR TAX APPEALS

| | | | |
|----------------------------|-----|----|------------------|
| Balance, December 31, 2021 | A | \$ | 22,763.14 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | <u>2,815.61</u> |
| Balance, December 31, 2022 | A | \$ | <u>19,947.53</u> |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| <u>OPERATIONS WITHIN "CAPS"</u> | BALANCE DECEMBER 31, 2021 | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|---------------------|--------------------|-------------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| Administrative and Executive: | | | | |
| Salaries and Wages | \$ 3,183.55 | \$ 3,183.55 | \$ | 3,183.55 |
| Other Expenses: | | | | |
| Miscellaneous | 1,062.30 | 1,765.37 | 678.95 | 1,086.42 |
| Postage | 2,349.04 | 2,362.04 | 13.00 | 2,349.04 |
| Mayor and Committee: | | | | |
| Salaries and Wages | 291.55 | 291.55 | | 291.55 |
| Other Expenses | 1,577.37 | 1,680.61 | 99.75 | 1,580.86 |
| Township Clerk: | | | | |
| Salaries and Wages | 22,240.77 | 22,240.77 | 1,763.80 | 20,476.97 |
| Other Expenses | 2,746.25 | 23,530.11 | 20,759.74 | 2,770.37 |
| Public Meeting Recording | 4.00 | 12,575.00 | 5,950.00 | 6,625.00 |
| Elections: | | | | |
| Other Expenses | 8,510.66 | 8,510.66 | | 8,510.66 |
| Central Purchasing: | | | | |
| Other Expenses | 98.93 | 889.29 | 790.36 | 98.93 |
| Financial Administration: | | | | |
| Salaries and Wages | 73.71 | 73.71 | | 73.71 |
| Other Expenses | 1,687.54 | 2,449.46 | 2,449.46 | |
| Assessment of Taxes: | | | | |
| Salaries and Wages | 11,223.59 | 11,223.59 | | 11,223.59 |
| Other Expenses | 16,293.00 | 27,320.77 | 16,805.45 | 10,515.32 |
| Revenue Administration (Collection of Taxes): | | | | |
| Salaries and Wages | 849.08 | 849.08 | | 849.08 |
| Other Expenses | 1,287.61 | 1,792.39 | 1,792.39 | |
| Human Resources: | | | | |
| Other Expenses | 16,873.99 | 36,858.70 | 20,585.18 | 16,273.52 |
| Information Technology: | | | | |
| Salaries and Wages | 208.88 | 208.88 | | 208.88 |
| Other Expenses | 31,150.74 | 37,562.99 | 6,606.55 | 30,956.44 |
| Legal Services and Costs: | | | | |
| Other Expenses: | | | | |
| Miscellaneous | 43,290.81 | 46,092.87 | 11,495.30 | 34,597.57 |
| Outside Services | 15,986.55 | 38,486.55 | 38,486.55 | |
| Engineering Services and Costs: | | | | |
| Salaries and Wages | 255.60 | 255.60 | 223.76 | 31.84 |
| Other Expenses | 2,329.54 | 9,848.40 | 7,444.09 | 2,404.31 |
| Economic Development Committee: | | | | |
| Salaries and Wages | 2,230.00 | 2,230.00 | | 2,230.00 |
| Other Expenses | 5,929.29 | 6,213.17 | 267.80 | 5,945.37 |
| Municipal Land Use Law (N.J.S. 40:55D-1): | | | | |
| Planning Board: | | | | |
| Salaries and Wages | 4,266.26 | 4,266.26 | 345.75 | 3,920.51 |
| Other Expenses | 36,697.58 | 39,453.71 | 1,498.95 | 37,954.76 |
| Zoning Commission: | | | | |
| Other Expenses | 10,077.92 | 12,174.37 | 3,810.54 | 8,363.83 |
| Insurance: | | | | |
| Unemployment Compensation | 2,543.18 | 2,543.18 | | 2,543.18 |
| General Liability | 6,623.47 | 6,623.47 | | 6,623.47 |
| Employee Group Health | 93,219.64 | 93,719.64 | -2,075.55 | 95,795.19 |
| Employee Healthcare Waivers | 13,040.78 | 13,040.78 | | 13,040.78 |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| <u>OPERATIONS WITHIN "CAPS"</u> | BALANCE DECEMBER 31, 2021 | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|---------------------|--------------------|-------------------|
| <u>PUBLIC SAFETY</u> | | | | |
| Police: | | | | |
| Salaries and Wages | \$ 29,663.89 | \$ 29,663.89 | \$ 3,358.14 | \$ 26,305.75 |
| Other Expenses | 469.18 | 242,663.40 | 239,627.60 | 3,035.80 |
| Municipal Prosecutor: | | | | |
| Salaries and Wages | 3,477.50 | 3,477.50 | | 3,477.50 |
| Emergency Management: | | | | |
| Salaries and Wages | 246.20 | 246.20 | | 246.20 |
| Other Expenses | 357.39 | 4,098.80 | 3,757.00 | 341.80 |
| Contribution to Fire District | | | | |
| Fire Hydrant Service | 88,353.23 | 88,353.23 | | 88,353.23 |
| <u>PUBLIC WORKS</u> | | | | |
| Road Repairs and Maintenance: | | | | |
| Salaries and Wages | 55,936.62 | 55,936.62 | 698.40 | 55,238.22 |
| Other Expenses | 28,326.52 | 141,218.20 | 107,559.63 | 33,658.57 |
| Snow Removal: | | | | |
| Salaries and Wages | 377.82 | 377.82 | | 377.82 |
| Other Expenses | 30,837.49 | 49,885.82 | 19,722.83 | 30,162.99 |
| Public Buildings and Grounds: | | | | |
| Other Expenses | 368.60 | 12,141.87 | 11,982.01 | 159.86 |
| Solid Waste Flow (Recycling): | | | | |
| Other Expenses | 1,889.88 | 1,889.88 | | 1,889.88 |
| Solid Waste Collection (Annual Clean-Up): | | | | |
| Salaries and Wages | 2,154.62 | 2,154.62 | | 2,154.62 |
| Other Expenses | 24,934.64 | 24,934.64 | | 24,934.64 |
| Sanitary Landfill: | | | | |
| Other Expenses | 4,175.00 | 4,175.00 | | 4,175.00 |
| Municipal Condo Service Act | 25,000.00 | 25,000.00 | 9,532.15 | 15,467.85 |
| <u>HEALTH AND WELFARE</u> | | | | |
| Health and Welfare: | | | | |
| Salaries and Wages | 6,679.09 | 6,679.09 | | 6,679.09 |
| Other Expenses | 4,789.87 | 14,504.51 | 9,874.41 | 4,630.10 |
| Animal Control Regulation: | | | | |
| Salaries and Wages | 7,500.00 | 7,500.00 | | 7,500.00 |
| Other Expenses | 60.00 | 60.00 | | 60.00 |
| Social Services: | | | | |
| Salaries and Wages | 3,689.11 | 3,689.11 | 1,993.00 | 1,696.11 |
| Other Expenses | 970.45 | 13,928.08 | 12,964.40 | 963.68 |
| Contribution to Senior Citizens' Organization | | | | |
| Environmental Commission (R.S. 40:56A-1, et. seq.): | | | | |
| Other Expenses | 1,764.00 | 1,764.00 | | 1,764.00 |
| Wildlife Management: | | | | |
| Other Expenses | 799.18 | 799.18 | 799.18 | |

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

| | BALANCE DECEMBER 31, 2021 | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|------------------------|----------------------|----------------------|
| <u>RECREATION AND EDUCATION</u> | | | | |
| Parks and Playgrounds | | | | |
| Salaries and Wages | \$ 22,420.00 | \$ 22,420.00 | \$ | \$ 22,420.00 |
| Other Expenses | 1,151.64 | 40,249.02 | 32,729.42 | 7,519.60 |
| Board of Recreation Commissioners (R.S.40:12-1): | | | | |
| Salaries and Wages | 4.45 | 4.45 | | 4.45 |
| <u>MUNICIPAL COURT</u> | | | | |
| Municipal Court: | | | | |
| Salaries and Wages | 14,893.80 | 14,893.80 | 411.21 | 14,482.59 |
| Other Expenses | 12,983.59 | 15,744.36 | 3,187.54 | 12,556.82 |
| Court Security | 20,000.00 | 20,000.00 | | 20,000.00 |
| <u>UNIFORM CONSTRUCTION CODE</u> | | | | |
| Construction Official: | | | | |
| Salaries and Wages | 34,557.62 | 34,557.62 | 230.91 | 34,326.71 |
| Other Expenses | 3,776.47 | 25,686.12 | 21,716.42 | 3,969.70 |
| <u>UNCLASSIFIED</u> | | | | |
| Celebration of Public Events | 4,172.56 | 10,601.35 | 7,549.30 | 3,052.05 |
| Utilities: | | | | |
| Gasoline | 5,239.19 | 5,239.19 | | 5,239.19 |
| Street Lighting | 11,164.21 | 11,164.21 | 4,773.59 | 6,390.62 |
| Electricity | 65,201.69 | 65,201.69 | 17,043.63 | 48,158.06 |
| Natural Gas | 10,316.78 | 10,316.78 | | 10,316.78 |
| Telephones | 3,416.43 | 9,050.43 | 5,243.15 | 3,807.28 |
| Diesel Fuel | 1,551.68 | 1,551.68 | | 1,551.68 |
| Water | 17,039.47 | 17,039.47 | 5,624.59 | 11,414.88 |
| Google | 1,654.43 | 1,654.43 | | 1,654.43 |
| Sick and Vacation Reserve | 2,500.00 | 2,500.00 | | 2,500.00 |
| Statutory Expenditures: | | | | |
| Contribution to: | | | | |
| Public Employees' Retirement System | 0.43 | 0.43 | | 0.43 |
| Social Security System | 24,303.99 | 24,303.99 | | 24,303.99 |
| Defined Contribution Retirement Program | 30.14 | 30.14 | | 30.14 |
| Public Works (Stormwater): | | | | |
| Salaries and Wages | 10,470.32 | 10,470.32 | 987.55 | 9,482.77 |
| Other Expenses | 87.21 | 7,478.37 | 7,152.49 | 325.88 |
| Stormwater Engineering: | | | | |
| Other Expenses | 3,000.00 | 3,000.00 | | 3,000.00 |
| | <u>\$ 950,959.56</u> | <u>\$ 1,558,615.83</u> | <u>\$ 668,310.37</u> | <u>\$ 890,305.46</u> |

REF.

A: A-18

A-1

| | | |
|--------------------------|------|----------------------|
| Cash Disbursements | A-4 | \$ 586,038.10 |
| Reserve for Encumbrances | A-19 | 88,180.87 |
| Less: Refunds | A-4 | <u>5,908.60</u> |
| | | <u>\$ 668,310.37</u> |

| | | |
|----------------------------|------|------------------------|
| Balance, December 31, 2021 | A-18 | \$ 950,959.56 |
| Encumbrances Payable | A-19 | <u>607,656.27</u> |
| | | <u>\$ 1,558,615.83</u> |

"A-19"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|--------------------------|
| Balance, December 31, 2021 | A | \$ | 830,802.18 |
| Increased by: | | | |
| Budget Appropriations | A-3 | \$ | 779,338.77 |
| Appropriation Reserves | A-18 | | 88,180.87 |
| Reserve for Miscellaneous Reserves | A-14 | | <u>1,858.56</u> |
| | | | 869,378.20 |
| | | \$ | <u>1,700,180.38</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | 58,796.54 |
| Transferred to Appropriation Reserves | A-18 | | 607,656.27 |
| Reserve for Miscellaneous Reserves | A-14 | | 13,157.14 |
| Canceled | A-1 | | <u>151,192.23</u> |
| | | | <u>830,802.18</u> |
| Balance, December 31, 2022 | A | \$ | <u><u>869,378.20</u></u> |

"A-20"

GRANT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

| | | | |
|------------------------------------|------|----|--------------------------|
| Balance, December 31, 2021 | A | \$ | 352,117.06 |
| Increased by: | | | |
| Reserve for Grants Appropriated | A-27 | | <u>970,665.20</u> |
| | | \$ | <u>1,322,782.26</u> |
| Decreased by: | | | |
| Transferred to Grants Appropriated | A-27 | | <u>352,117.06</u> |
| Balance, December 31, 2022 | A | \$ | <u><u>970,665.20</u></u> |

"A-21"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF PREPAID TAXES

| | <u>REF.</u> | | |
|---|-------------|----|----------------------------|
| Balance, December 31, 2021 (2022 Taxes) | A | \$ | 1,171,563.45 |
| Increased by: | | | |
| Collection - 2023 Taxes | A-5 | | 1,144,165.11 |
| | | \$ | <u>2,315,728.56</u> |
| Decreased by: | | | |
| Applied to Taxes Receivable | A-9 | | 1,171,563.45 |
| Balance, December 31, 2022 (2023 Taxes) | A | \$ | <u><u>1,144,165.11</u></u> |

"A-22"

SCHEDULE OF COUNTY TAXES PAYABLE

| | | | |
|------------------------|---------|----|-----------------------------|
| Current Year Tax Levy: | | | |
| County Tax | A-1:A-9 | \$ | 22,394,246.60 |
| County Library Tax | A-1:A-9 | | 3,213,795.69 |
| County Open Space | A-1:A-9 | | 2,178,000.00 |
| Added County Taxes | A-1:A-9 | | <u>131,509.87</u> |
| | | \$ | 27,917,552.16 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u><u>27,917,552.16</u></u> |

"A-23"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF DISTRICT SCHOOL TAX PAYABLE

| | <u>REF.</u> | |
|--------------------------------------|-------------|--------------------------|
| Balance, December 31, 2021 | A | \$ 22,500.46 |
| Increased by: | | |
| Levy Calendar Year 2022 | A-1:A-9 | 104,300,350.00 |
| | | \$ <u>104,322,850.46</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | <u>104,322,850.48</u> |
| (Prepaid) Balance, December 31, 2022 | A | \$ <u><u>(0.02)</u></u> |

"A-24"

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

| | | |
|-------------------------|---------|-------------------------------|
| Increased by: | | |
| Levy Calendar Year 2022 | A-1:A-9 | \$ 2,008,398.15 |
| Decreased by: | | |
| Cash Disbursements | A-4 | \$ <u><u>2,008,398.15</u></u> |

"A-25"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
CONSTRUCTION CODE OFFICIAL

REF.

| | | |
|--------------------|-----|----------------------------|
| Increased by: | | |
| Cash Receipts | A-4 | \$ <u>96,113.00</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | \$ <u><u>96,113.00</u></u> |

"A-26"

SCHEDULE OF DUE STATE OF NEW JERSEY
REGISTRAR LICENSES

| | | |
|----------------------------|-----|-------------------------|
| Balance, December 31, 2021 | A | \$ 2,000.00 |
| Increased by: | | |
| Cash Receipts | A-4 | <u>2,400.00</u> |
| | | \$ <u>4,400.00</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | <u>4,150.00</u> |
| Balance, December 31, 2022 | A | \$ <u><u>250.00</u></u> |

| GRANT/PROGRAM | BALANCE | ENCUMBRANCES | BUDGET | PAID OR | CANCELED | BALANCE |
|--|--------------|--------------|----------------|--------------|------------|--------------|
| | DECEMBER | PAYABLE | APPROPRIATIONS | | | CHARGED |
| | 31, 2021 | | | | | 31, 2022 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| American Rescue Plan | 1,900,804.53 | 44,900.00 | 2,090,754.38 | 1,300,449.73 | | 2,736,009.18 |
| Body Armor Replacement Fund (State) | 29.87 | | 2,460.91 | | | 2,490.78 |
| Body Armor Replacement Fund (Federal) | 302.12 | | | | | 302.12 |
| Body Worn Camera Grant | 46,804.00 | 67,324.00 | | 103,060.00 | | 11,068.00 |
| Cell Phone Safety | 4,971.60 | | | 4,971.60 | | |
| Clean Communities Program | 8,156.89 | 23,868.23 | 99,061.00 | 46,008.63 | | 85,077.49 |
| Click it or Ticket | 4,160.76 | | | 3,993.62 | 167.14 | |
| Concast Technology Grant | 53,400.00 | | | 53,400.00 | | |
| Cops More Equipment Grant | 383.00 | | | | 383.00 | |
| Cops Universal Grant | 6,250.00 | | | 6,250.00 | | |
| DOJ National Crime Statistics Grant | | 16,000.00 | | 13,156.00 | | 2,844.00 |
| DCA-Smart Future Planning Grant | 45,614.63 | | | | 45,614.63 | |
| DCA - Covid Relief Fund | 50,995.32 | | | | | 58,533.51 |
| Drunk Driving Enforcement Fund | 29,690.38 | 31,826.51 | 7,128.00 | 24,288.32 | 0.20 | 28,954.88 |
| Edward Byrne Memorial Justice Assistance Grant | 136.85 | | | 7,863.50 | | |
| Electronic Charging Station Grant | 3,752.00 | | | | 136.85 | |
| Energy Efficiency Conservation Block Grant | 100.00 | 13,606.95 | | 13,993.77 | | 3,365.18 |
| Federal Emergency Management 2003 | 0.92 | | | | | 100.00 |
| Office of Emergency Management | 772.64 | | | 772.64 | | 0.92 |
| Office of Emergency Management | 8,640.57 | | | 8,256.99 | | 383.58 |
| Office of Emergency Management | 10,000.00 | | | 3,841.95 | | 6,158.05 |
| Office of Emergency Management | 10,000.00 | | 15,000.00 | | | 10,000.00 |
| Office of Emergency Management | | | | | | 15,000.00 |
| FM Mission Critical Services 2013 | 444.00 | | | | | 444.00 |
| FM Mission Critical Services 2015 | 500.00 | | | | | 486.64 |
| Green Communities | | | | | 500.00 | |
| HMGP Energy Allocation Initiative (Hazardous Mitigation) | | | | | | |
| Hepatitis B inoculations 2011 - NJDHSS | 2.64 | | | | 804.00 | 2.64 |
| Highway Safety Grant | 804.00 | | 36,253.00 | | | 36,253.00 |
| H1N1 Preparedness Grant | 205.68 | | | | | 205.68 |
| Natural Resources Inventory Grant (ANJEC) 2009 | 1,404.61 | | | 34,171.90 | 1,404.61 | |
| NBRS Police Grant | 34,171.90 | | | | | |
| NJ Transportation Trust Fund - Bike Lanes Grant | 150,000.00 | | | | 150,000.00 | |
| NJ Transportation Trust Fund - Hillsborough Road | 10,000.00 | | | | 10,000.00 | |
| NJ Transportation Trust Fund - Homestead Road 2013 | 81,238.17 | | | | 81,238.17 | |
| NJ Transportation Trust Fund - Montgomery Road | 26,934.42 | | | | 26,934.42 | |
| NJ Transportation Trust Fund - Mountainview Road 2009 | 108,825.26 | | | | 108,825.26 | |
| NJ Transportation Trust Fund - Wertsville Road | 150,000.00 | | | | 150,000.00 | |
| Planning Assistance Grant | | | | | | |
| Local | 15,000.00 | | | | 15,000.00 | |
| State | 25,034.67 | | | | 25,034.67 | |
| Pandemic Flu Preparedness Plan | 1,535.56 | | | | 1,535.56 | |
| Pedestrian Safety Grant | 8,543.38 | | | 1,138.62 | 7,404.76 | |
| Public Health Priority Funding | 13,684.30 | | | | | 13,684.30 |
| Recycling Tonnage Grant | 47,947.58 | 3,389.00 | 38,533.16 | 45,867.00 | | 44,002.74 |
| ROID Grant | 50,861.05 | 9,000.00 | 10,000.00 | 7,659.72 | 50,861.05 | 2,340.28 |
| Safe and Secure Communities 2019 | 10.97 | | | | | 10.97 |
| Safe and Secure Communities 2020 | 2,225.00 | | | | | |
| Safe and Secure Communities 2022 | | 55,775.00 | 32,400.00 | 58,000.00 | | |
| | | | | 32,400.00 | | |

TOWNSHIP OF HILLSBOROUGH

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

| GRANT/PROGRAM | BALANCE DECEMBER 31, 2021 | ENCUMBRANCES PAYABLE | BUDGET APPROPRIATIONS | PAID OR CHARGED | CANCELED | BALANCE DECEMBER 31, 2022 | OVEREXPENDED |
|--|---------------------------------|-------------------------|--------------------------|--------------------|---------------|---------------------------------|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Safe Corridors Grant | 0.96 | 42,863.00 | | 42,863.00 | | 0.96 | |
| SLA/HEOP Grant | 2,405.72 | | | | 2,405.72 | | |
| Somerset County Bioterrorism Preparedness and Response Grant | 602.47 | | | | 602.47 | | |
| Somerset County Community Development Block Grant | 96,765.13 | 371.48 | | | | 97,136.61 | |
| Somerset County Design Charrette | 4,403.00 | | | | 4,403.00 | | |
| Somerset County Design Charrette Township Match | 1,312.00 | | | | 1,312.00 | | |
| Somerset County Historic Preservation 2005 | | 9,260.00 | | 9,260.00 | | | |
| Somerset County Historic Preservation 2006 | 69,536.67 | 12,997.00 | | 12,997.00 | | | |
| Somerset County Historic Preservation 2019 | 69,693.12 | 156.45 | | 69,693.12 | | | |
| Somerset County Historic Preservation 2020 | 125,000.00 | | | 264,713.33 | | | 139,713.33 |
| Somerset County Municipal Planning Partnership | 32,510.75 | | | | 32,510.75 | | |
| Somerset County Municipal Alliance 2015 | | 3,215.00 | | 2,980.00 | | 235.00 | |
| Somerset County Municipal Alliance 2022 | | | 35,545.00 | | | 35,545.00 | |
| Somerset County Municipal Alliance 2021 | 31,045.00 | | | 11,097.62 | | 19,947.38 | |
| Somerset County Municipal Alliance 2019/2020 | 8,452.76 | | | 8,303.04 | | 149.72 | |
| Somerset County Video Arrangement Grant | 644.86 | | | | 644.86 | | |
| Somerset County Open Space Recreation Grant | | | 250,000.00 | | | 250,000.00 | |
| Somerset County Youth Athletic Grant 2004 | 600.00 | | | | | 600.00 | |
| Somerset County Youth Athletic Grant 2005 | 0.02 | | | | | 0.02 | |
| Somerset County Youth Athletic Grant 2008 | 5,330.00 | | | | 5,330.00 | | |
| Somerset County Youth Athletic Grant 2009 | 15,000.00 | | | | 15,000.00 | | |
| Youth Services Clothing Blins | 7,500.00 | | | 7,500.00 | | | |
| Somerset County Youth Services Grant 2022 | | | 18,650.00 | | | 18,650.00 | |
| Somerset County Youth Services Grant 2021 | 5,000.00 | | | 3,275.00 | | 1,725.00 | |
| Somerset County Youth Services Grant 2019 | 116.97 | | | 1,725.00 | | 116.97 | |
| Somerset County Youth Services Grant 2020 | 1,725.00 | | | 225,631.44 | | | |
| Strengthening Local Public Health Capacity | | 17,564.44 | 208,067.00 | 20,695.42 | | 83,749.58 | |
| Vaccination Supplemental Grant | | | 104,445.00 | | | 4.45 | |
| Sustainable Jersey Grants- NJLM Grants 2013 | 4.45 | | | | | | |
| Local | 10,000.00 | | | | 10,000.00 | | |
| Grantor - MLUC | 4,098.98 | | | | 4,098.98 | | |
| Supplemental Fire District | | | 11,317.00 | 11,317.00 | | | |
| Take A Hike In Hillsborough | 5,568.50 | | | | 5,568.50 | | |
| Tobacco Age of Sale Grant | 1,560.00 | | | | 1,560.00 | | |
| | \$ 3,344,009.15 | \$ 352,117.06 | \$ 2,959,614.45 | \$ 2,470,594.96 | \$ 759,280.60 | \$ 3,565,578.43 | \$ 139,713.33 |
| REF. | A | A-20 | A-3 | | A-7 | A | A-A-34 |
| Cash Disbursements | | | | \$ 1,500,770.93 | | | |
| Encumbrances Payable | | | | 970,665.20 | | | |
| | | | | \$ 2,471,436.13 | | | |
| | | | | 841.17 | | | |
| Less: Refunds | | | | \$ 2,470,594.96 | | | |

TOWNSHIP OF HILLSBOROUGH

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

| <u>GRANT/PROGRAM</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>RECEIPTS</u> | <u>APPLIED TO ANTICIPATED REVENUE</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|---|--|--------------------|---|--|
| Drunk Driving Enforcement Fund | \$ 7,128.00 | \$ | 7,128.00 | \$ |
| Emergency Management Assistance Program | 5,000.00 | | 5,000.00 | |
| Clothing Bins | 3,150.00 | | 3,150.00 | |
| Vaccine Grant | 4,444.96 | | 4,444.96 | |
| Body Armor Replacement Fund | | 3,723.03 | | 3,723.03 |
| | <u>\$ 19,722.96</u> | <u>\$ 3,723.03</u> | <u>\$ 19,722.96</u> | <u>\$ 3,723.03</u> |
| <u>REF.</u> | A | A-4 | A-7 | A |

"A-29"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAX PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2021 | A | \$ 20,000.00 |
| Increased by: | | |
| Levy Calendar Year 2022 | A-1:A-9 | <u>4,364,178.00</u> |
| | | \$ <u>4,384,178.00</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | <u>4,364,178.00</u> |
| Balance, December 31, 2022 | A | \$ <u><u>20,000.00</u></u> |

TOWNSHIP OF HILLSBOROUGH

GRANT FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>TRUST OTHER FUNDS</u> | <u>GENERAL CAPITAL FUND</u> |
|----------------------------|-------------|----------------------|-------------------------|----------------------------------|-------------------------------------|
| Balance, December 31, 2021 | | | | | |
| Due from | A | \$ 326,472.18 | \$ 2,593.65 | \$ | \$ 323,878.53 |
| Increased by: | | | | | |
| Grants Canceled - Net | A-7:A-13 | \$ 162,543.68 | \$ 162,543.68 | \$ | \$ |
| Treasurer-Receipts | A-4 | 95,554.16 | 95,554.16 | | |
| | | <u>\$ 258,097.84</u> | <u>\$ 258,097.84</u> | <u>\$</u> | <u>\$</u> |
| Decreased by: | | | | | |
| Transfer | A-13 | \$ 18,426.00 | \$ 18,426.00 | \$ | \$ |
| Treasurer-Disbursements | A-4 | 144,761.43 | 140,071.43 | 4,690.00 | |
| | | <u>\$ 163,187.43</u> | <u>\$ 158,497.43</u> | <u>\$</u> | <u>\$</u> |
| Balance, December 31, 2022 | | | | | |
| Due from | A | \$ 328,568.53 | \$ | \$ 4,690.00 | \$ 323,878.53 |
| Due to | A | <u>97,006.76</u> | <u>97,006.76</u> | | |

TOWNSHIP OF HILLSBOROUGH
CURRENT FUND
SCHEDULE OF REFUNDS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Increased by: | | |
| Cash Disbursements | A-1:A-4 | \$ 844,904.72 |
| Decreased by: | | |
| Cash Receipts | A-1:A-4 | <u>614,823.12</u> |
| Balance, December 31, 2022 | A | \$ <u><u>230,081.60</u></u> |

"A-32"

TOWNSHIP OF HILLSBOROUGH

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

| | <u>REF.</u> | <u>SPECIAL EMERGENCY AUTHORIZATION (N.J.S.A. 40A: 4-53) FLOOD/HURRICANE DAMAGE</u> | <u>TOTAL</u> |
|----------------------------|-------------|--|----------------------|
| Balance, December 31, 2021 | A | \$ 300,000.00 | \$ 300,000.00 |
| Decreased by: | | | |
| Budget Appropriation | A-3 | <u>60,000.00</u> | <u>60,000.00</u> |
| Balance, December 31, 2022 | A | <u>\$ 240,000.00</u> | <u>\$ 240,000.00</u> |

"A-33"

SCHEDULE OF GRANTS UNAPPROPRIATED -CURRENT FUND

| | | |
|----------------------------|-----|----------------------|
| Balance, December 31, 2021 | A | \$ 7,330.00 |
| Increased by: | | |
| Cash Receipts | A-4 | <u>169,641.54</u> |
| | | \$ 176,971.54 |
| Decreased by: | | |
| Applied to Revenue | A-2 | <u>7,330.00</u> |
| Balance, December 31, 2022 | A | <u>\$ 169,641.54</u> |

TOWNSHIP OF HILLSBOROUGH

GRANT FUND

SCHEDULE OF DEFERRED CHARGES - OVEREXPENDITURE OF GRANTS

| | <u>REF.</u> | | |
|-------------------------------|-------------|----|--------------------------|
| Balance, December 31, 2021 | A | \$ | 55,355.49 |
| Increased by: | | | |
| Current Year Overexpenditures | A-27 | | 139,713.33 |
| | | \$ | <u>195,068.82</u> |
| Decreased by: | | | |
| Raised in Budget | A-4 | | <u>55,355.49</u> |
| Balance, December 31, 2022 | A | \$ | <u><u>139,713.33</u></u> |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF CASH-TREASURER

| | <u>REF.</u> | <u>ASSESSMENT</u> | <u>ANIMAL CONTROL</u> | <u>OTHER</u> |
|--------------------------------------|---------------|------------------------|---------------------------|-------------------------|
| Balance, December 31, 2021 | B | \$ <u>1,080,015.60</u> | \$ <u>46,188.38</u> | \$ <u>26,616,748.65</u> |
| Increased by Receipts: | | | | |
| Assessments Receivable | B-4 | \$ 307,382.03 | \$ | \$ |
| Dog License Fees | B-13 | | 37,278.40 | |
| Due State of New Jersey | B-12 | | 2,733.60 | |
| Deficit to be Raised | B-8 | | | 25,429.82 |
| Reserve for Recreation Fees | B-18 | | | 768,964.15 |
| Reserve for Sanitary Landfill Escrow | B-16 | | | 15.06 |
| Interfunds | B-7:B-11:B-15 | 367,342.23 | 447.58 | 25,127.94 |
| Reserve for Various Trust Deposits | B-19 | | | 32,902,815.18 |
| Reserve for Township Open Space | B-17 | | | 2,078,194.25 |
| | | \$ <u>674,724.26</u> | \$ <u>40,459.58</u> | \$ <u>35,800,546.40</u> |
| | | \$ <u>1,754,739.86</u> | \$ <u>86,647.96</u> | \$ <u>62,417,295.05</u> |
| Decreased by Disbursements: | | | | |
| Interfunds | B-7:B-11:B-15 | \$ 32,700.00 | \$ 416.36 | \$ 2,053,803.54 |
| Reserve for Various Trust Deposits | B-19 | | | 31,955,930.50 |
| Due State of New Jersey | B-12 | | 2,733.60 | |
| Assessment Bonds Payable | B-9 | 28,100.00 | | |
| Assessment Loans Payable | B-10 | 295,561.33 | | |
| Animal Control Fund Expenditures | B-13 | | 54,640.12 | |
| Reserve for Sanitary Landfill Escrow | B-16 | | | 89.00 |
| Recreation Commission Expenditures | B-18 | | | 694,438.76 |
| Reserve for Township Open Space | B-17 | | | 3,250.28 |
| | | \$ <u>356,361.33</u> | \$ <u>57,790.08</u> | \$ <u>34,707,512.08</u> |
| Balance, December 31, 2022 | B | \$ <u>1,398,378.53</u> | \$ <u>28,857.88</u> | \$ <u>27,709,782.97</u> |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

ANALYSIS OF ASSESSMENT CASH

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>CASH RECEIPTS</u> | <u>CASH DISBURSEMENTS</u> | <u>TRANSFER</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|---|------------------------------------|--|--------------------------|-------------------------------|-----------------|--|
| Assessment Serial Bonds: 2007-08 | Riverview Sewers | \$ 142,693.06 \$ | 15,489.75 \$ | 28,100.00 \$ | | \$ 130,082.81 |
| Assessment Loans: 2009-13 2014-14 | Claremont Sewers Sanitary Sewer | 124,985.16 318,136.61 | 259,762.02 32,130.26 | 242,036.78 44,632.16 | (233,852.00) | 142,710.40 305,634.71 |
| Due Current Fund Due General Capital Fund Amount to be Raised by Taxation | | 376,518.67 351,534.10 (233,852.00) | 367,342.23 | 32,700.00 8,892.39 | 233,852.00 | 711,160.90 342,641.71 (233,852.00) |
| | | <u>\$ 1,080,015.60 \$</u> | <u>674,724.26 \$</u> | <u>356,361.33 \$</u> | <u>\$</u> | <u>1,398,378.53</u> |
| <u>REF.</u> | | B | B-2 | B-2 | | B |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ANNUAL INSTALLMENTS</u> | <u>DUE DATE</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>COLLECTED</u> | <u>BALANCE DECEMBER 31, 2022</u> | <u>BALANCE PLEDGED TO ASSESSMENT SERIAL BONDS/LOANS</u> |
|-----------------------------|---|--------------------------------|--------------------------|--|----------------------|--|---|
| 2007-08 | Installation of Sewer Lines - Riverview | 20 | 3/01 & 9/01 | \$ 82,106.94 | \$ 15,489.75 | \$ 66,617.19 | \$ 66,617.19 |
| 2007-43 | Installation of Sewer Lines - Claremont | 20 | 6/01 & 12/01 | 1,887,021.67 | 259,762.02 | 1,627,259.65 | 1,627,259.65 |
| 2014-14 | Sanitary Sewer | 20 | 3/01, 6/01, 9/01 & 12/01 | 527,518.43 | 32,130.26 | 495,388.17 | 495,388.17 |
| | | | | <u>\$ 2,496,647.04</u> | <u>\$ 307,382.03</u> | <u>\$ 2,189,265.01</u> | <u>\$ 2,189,265.01</u> |
| <u>REF.</u> | | | | B | B-2 | B | |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF AMOUNT TO BE RAISED BY TAXATION

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>LOANS PAYABLE</u> | <u>CANCELED</u> |
|-----------------------------|--------------------------------|--|--------------------------|-----------------|
| 2014-14 | Sanitary Sewer | \$ 233,892.39 \$ | 225,000.00 \$ | 8,892.39 |
| | | \$ 233,892.39 \$ | 225,000.00 \$ | 8,892.39 |
| | <u>REF.</u> | B | B-10 | B-7 |

"B-6"

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE - ANIMAL CONTROL TRUST FUND

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|------------------------|
| Balance, December 31, 2021 | B | \$ | 50.00 |
| Increased by: | | | |
| Reserve for Animal Control Trust Fund | B-13 | | 6,468.00 |
| | | \$ | <u>6,518.00</u> |
| Decreased by: | | | |
| Reserve for Animal Control Trust Fund | B-13 | | <u>50.00</u> |
| Balance, December 31, 2022 | B | \$ | <u><u>6,468.00</u></u> |

"B-7"

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF INTERFUNDS PAYABLE - ASSESSMENT TRUST FUND

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>GENERAL CAPITAL FUND</u> |
|-------------------------------|-------------|-------------------------------|-----------------------------|-------------------------------------|
| Balance, December 31, 2021 | | | | |
| Due from | B | \$ <u>728,052.77</u> | \$ <u>376,518.67</u> | \$ <u>351,534.10</u> |
| Increased by: | | | | |
| Cash Receipts | B-2 | <u>367,342.23</u> | <u>367,342.23</u> | <u> </u> |
| Decreased by: | | | | |
| Cash Disbursements | B-2 | 32,700.00 | 32,700.00 | |
| Transfer from General Capital | B-5 | <u>8,892.39</u> | <u> </u> | <u>8,892.39</u> |
| Balance, December 31, 2022 | | | | |
| Due from | B | \$ <u><u>1,053,802.61</u></u> | \$ <u><u>711,160.90</u></u> | \$ <u><u>342,641.71</u></u> |

"B-8"

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF DEFICIT TO BE RAISED - RECREATION TRUST

| | <u>REF.</u> | | |
|----------------------------|-------------|----|------------------|
| Balance, December 31, 2021 | B | \$ | 25,429.82 |
| Decreased by: | | | |
| Raised in Budget | B-2 | | <u>25,429.82</u> |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF ASSESSMENT SERIAL BONDS

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF BONDS OUTSTANDING</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|-----------------|--------------------------|---------------------------|--|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Riverview Sewer | 07/22/09 | \$ 562,000.00 | 06/01/23-29 | \$ 28,100.00 | 5.00% | \$ 224,800.00 | \$ 28,100.00 | \$ 196,700.00 |
| | | | | | | \$ 224,800.00 | \$ 28,100.00 | \$ 196,700.00 |
| | | | | | <u>REF.</u> | B | B-2 | B |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF N.J.E.I.T. ASSESSMENT LOANS PAYABLE

| IMPROVEMENT DESCRIPTION | DATE OF ORIGINAL ISSUE | AMOUNT OF ORIGINAL ISSUE | OUTSTANDING DECEMBER 31, 2022 | | INTEREST RATE | BALANCE DECEMBER 31, 2021 | DECREASED | BALANCE DECEMBER 31, 2022 |
|--------------------------------------|----------------------------------|--|-------------------------------|--------------|-----------------|---------------------------|-----------------|---------------------------|
| | | | DATE | AMOUNT | | | | |
| Sewer Assessment Loans (S340-099-01) | 3/10/2010 | \$ 1,103,238.01 | 8/1/2023-24 | \$ 68,501.71 | 4.000% | \$ | \$ | |
| | | | 8/1/2025 | 72,107.06 | 4.000% | | | |
| | | | 8/1/2026 | 75,712.41 | 3.500% | | | |
| | | | 8/1/2027 | 79,317.76 | 4.000% | | | |
| | | | 8/1/2028-29 | 82,923.12 | 4.000% | 594,883.24 | 64,896.35 | 529,986.89 |
| Sewer Assessment Loans (S340-099-01) | 3/10/2010 | 3,188,527.89 | 2023-2028 | 177,140.43 | 0% | 1,417,123.59 | 177,140.43 | 1,239,983.16 |
| | | | 2029 | 177,140.58 | 0% | | | |
| Sewer Assessment Loans (S340-099-02) | 12/22/2016 | 275,000.00 | 8/1/2023 | 10,000.00 | 5.000% | 235,000.00 | 235,000.00 | |
| | | | 8/1/2024-26 | 15,000.00 | 5.000% | | | |
| | | | 8/1/2027-31 | 15,000.00 | 4.000% | | | |
| | | | 8/1/2032-35 | 20,000.00 | 4.000% | | | |
| | | | 8/1/2036 | 15,000.00 | 4.000% | | | |
| Sewer Assessment Loans (S340-099-02) | 12/22/2016 Loan Decrease 2018 | 855,983.00 (42,173.00) \$ 813,810.00 | 2023-2035 | 43,524.55 | 0% | 610,695.43 | 43,524.55 | 567,170.88 |
| | | | 2036 | 1,351.73 | 0% | | | |
| | | | | | | | | |
| | | | | | \$ 2,857,702.26 | \$ 520,561.33 | \$ 2,337,140.93 | |
| | | | | | B | | B | |
| | | | | | REF. | | | |
| | | | | | B-2 | \$ 295,561.33 | | |
| | | | | | B-5 | 225,000.00 | | |
| | | | | | | \$ 520,561.33 | | |

Cash Disbursements
Transfer to General Capital Fund

"B-11"

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL TRUST FUND

| | <u>REF.</u> | <u>CURRENT FUND</u> |
|----------------------------|-------------|-------------------------|
| Balance, December 31, 2021 | | |
| Due To | B | \$ 57.18 |
| Increased by: | | |
| Cash Receipts | B-2 | 447.58 |
| | | \$ <u>504.76</u> |
| Decreased by: | | |
| Cash Disbursements | B-2 | <u>416.36</u> |
| Balance, December 31, 2022 | | |
| Due To | B | \$ <u><u>88.40</u></u> |

"B-12"

SCHEDULE OF DUE STATE OF NEW JERSEY-ANIMAL CONTROL FUND

| | | |
|--------------------|-----|---------------------------|
| Increased by: | | |
| Cash Receipts | B-2 | \$ <u>2,733.60</u> |
| Decreased by: | | |
| Cash Disbursements | B-2 | \$ <u><u>2,733.60</u></u> |

"B-13"

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>REF.</u> | | |
|------------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2021 | B | \$ | 46,081.20 |
| Increased by: | | | |
| Dog License Fees Collected | B-2 | \$ | 37,278.40 |
| Encumbrances Payable | B-6 | | <u>50.00</u> |
| | | | 37,328.40 |
| | | \$ | <u>83,409.60</u> |
| Decreased by: | | | |
| Expenditures Under R.S.4:49-15.11: | | | |
| Cash Disbursements | B-2 | \$ | 54,640.12 |
| Encumbrances Payable | B-6 | | <u>6,468.00</u> |
| | | | <u>61,108.12</u> |
| Balance, December 31, 2022 | B | \$ | <u><u>22,301.48</u></u> |

| <u>LICENSE FEES COLLECTED</u> | |
|-------------------------------|----------------------------|
| <u>YEAR</u> | <u>AMOUNT</u> |
| 2021 | \$ 38,852.40 |
| 2020 | <u>38,688.60</u> |
| | <u><u>\$ 77,541.00</u></u> |

"B-14"

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|--------------------------|
| Balance, December 31, 2021 | B | \$ | 22,610.00 |
| Increased by: | | | |
| Various Trust Deposits | B-19 | \$ | 86,828.90 |
| Township Open Space | B-17 | | 4,800.00 |
| Recreation Commission | B-18 | | <u>46,650.13</u> |
| | | | 138,279.03 |
| | | \$ | <u>160,889.03</u> |
| Decreased by: | | | |
| Transfer to Reserve for Miscellaneous | | | |
| Trust Deposits | B-19 | \$ | 4,628.19 |
| Transfer to Reserve for Recreation | B-18 | | <u>17,981.81</u> |
| | | | <u>22,610.00</u> |
| Balance, December 31, 2022 | B | \$ | <u><u>138,279.03</u></u> |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF INTERFUNDS - OTHER FUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>GRANT FUND</u> |
|----------------------------|-------------|------------------------|------------------------------------|--------------------------------|
| Balance, December 31, 2021 | | | | |
| Due to | B | \$ <u>61,136.04</u> | \$ <u>61,136.04</u> | \$ <u> </u> |
| Increased by: | | | | |
| Cash Receipts | B-2 | <u>25,127.94</u> | <u>20,437.94</u> | <u>4,690.00</u> |
| Decreased by: | | | | |
| Cash Disbursements | B-2 | <u>2,053,803.54</u> | <u>2,053,803.54</u> | <u> </u> |
| Balance, December 31, 2022 | | | | |
| Due from | B | \$ <u>1,972,229.56</u> | \$ <u>1,972,229.56</u> | \$ <u> </u> |
| Due to | B | <u><u>4,690.00</u></u> | <u><u> </u></u> | <u><u>4,690.00</u></u> |

"B-16"

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF RESERVE FOR SANITARY LANDFILL ESCROW

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2021 | B | \$ | 11,054.61 |
| Increased by: | | | |
| Interest Earned | B-2 | | 15.06 |
| | | \$ | <u>11,069.67</u> |
| Decreased by: | | | |
| Cash Disbursements | B-2 | | 89.00 |
| Balance, December 31, 2022 | B | \$ | <u><u>10,980.67</u></u> |

"B-17"

SCHEDULE OF RESERVE FOR TOWNSHIP OPEN SPACE

| | | | |
|----------------------------|------|----|-----------------------------|
| Balance, December 31, 2021 | B | \$ | 19,208,472.00 |
| Increased by: | | | |
| Cash Receipts | B-2 | | 2,078,194.25 |
| | | \$ | <u>21,286,666.25</u> |
| Decreased by: | | | |
| Cash Disbursements | B-2 | \$ | 3,250.28 |
| Encumbrances Payable | B-14 | | <u>4,800.00</u> |
| | | | <u>8,050.28</u> |
| Balance, December 31, 2022 | B | \$ | <u><u>21,278,615.97</u></u> |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION COMMISSION EXPENDITURES

| | <u>REF.</u> | | | |
|-------------------------------------|-------------|----|-------------------------|----------------------|
| Increased by: | | | | |
| Receipts- Program Registration Fees | B-2 | \$ | 768,964.15 | |
| Transfer from Encumbrances Payable | B-14 | | <u>17,981.81</u> | |
| | | | | \$ 786,945.96 |
| Decreased by: | | | | |
| Cash Disbursements | B-2 | \$ | 694,438.76 | |
| Encumbrances Payable | B-14 | | <u>46,650.13</u> | |
| | | | | \$ <u>741,088.89</u> |
| Balance, December 31, 2022 | B | \$ | <u><u>45,857.07</u></u> | |

TOWNSHIP OF HILLSBOROUGH

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST DEPOSITS

| <u>RESERVE</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>RECEIPTS</u> | <u>DISBURSEMENTS</u> | <u>ENCUMBRANCES PAYABLE</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|-------------------------------|--|-------------------------|-------------------------|---------------------------------|--|
| Government Grant Fund | \$ 70,508.18 | \$ 948.18 | \$ | \$ | 71,456.36 |
| Police Law Enforcement Trust | 33,021.15 | 3,513.25 | 36.00 | | 36,498.40 |
| Federal Forfeiture Fund | 11,018.58 | 722.99 | | | 11,741.57 |
| Police Services Escrow | 50,300.06 | 774,039.64 | 774,288.47 | | 50,051.23 |
| Expert Witness Program | 27,630.00 | | | | 27,630.00 |
| Self Insurance Program | 309,012.00 | | | | 309,012.00 |
| COBRA Payment Program | 95,111.27 | | | | 95,111.27 |
| Employee Benefits Program | 82,798.40 | 917.71 | 83,716.11 | | |
| Subdivision Deposits | 3,323.00 | | | | 3,323.00 |
| Escrow Management | 2,193,555.91 | 712,870.99 | 717,853.35 | | 2,188,573.55 |
| Flexible Spending Account | 1,213.01 | 20,207.50 | 18,345.40 | | 3,075.11 |
| Affinity Credit Card | 31,907.79 | 5,926.37 | 14,485.51 | | 23,348.65 |
| Miscellaneous Trust | 1,475,627.74 | 1,035,064.57 | 1,062,224.60 | 76,408.79 | 1,372,058.92 |
| Payroll Agency | 4,873.28 | 27,955,898.31 | 27,790,296.33 | | 170,475.26 |
| Kimberwick Curb Suit | 33,882.88 | 17.27 | 33,899.97 | | 0.18 |
| Public Assistance - Donations | 276,494.77 | 33,043.27 | 134,685.33 | 10,420.11 | 164,432.60 |
| Escrow/Offsite | 1,606,605.79 | 105,931.37 | 163,190.53 | | 1,549,346.63 |
| Tax Lien Redemption | 1,036,650.20 | 2,253,713.76 | 1,162,908.90 | | 2,127,455.06 |
| | <u>\$ 7,343,534.01</u> | <u>\$ 32,902,815.18</u> | <u>\$ 31,955,930.50</u> | <u>\$ 86,828.90</u> | <u>\$ 8,203,589.79</u> |

REF.

| | | |
|----------------------------|------|------------------------|
| Balance, December 31, 2021 | B | \$ 7,338,905.82 |
| Encumbrances Payable | B-14 | <u>4,628.19</u> |
| | | <u>\$ 7,343,534.01</u> |

B

B-14

B-2

* Note: An analysis of trust deposits is on file in the Finance Office.

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|--|-------------|----|----------------------------|
| Balance, December 31, 2021 | C | \$ | 14,441,968.71 |
| Increased by Receipts: | | | |
| Budget Appropriation: | | | |
| Capital Improvement Fund | C-8 | \$ | 700,000.00 |
| Deferred Charge - Unfunded | C-5 | | 93,855.39 |
| Deferred Charge - Unfunded - State Aid | C-5 | | 352,500.00 |
| Refund of Improvement Authorization | C-7 | | 1,374.04 |
| Premium on Sale of Notes | C-1 | | 58,320.34 |
| Developers Deposits | C-9 | | 2,000.00 |
| Interfunds | C-10 | | 2,535,413.24 |
| Bond Anticipation Notes | C-13 | | <u>20,105,877.00</u> |
| | | | 23,849,340.01 |
| | | \$ | <u>38,291,308.72</u> |
| Decreased by Disbursements: | | | |
| Contracts Payable | C-6 | \$ | 16,106,843.13 |
| Bond Anticipation Notes | C-13 | | 20,105,877.00 |
| Fund Balance | C-1 | | 76,525.39 |
| Overexpenditure of Ordinance Appropriation | C-15 | | 69,526.77 |
| Interfunds | C-10 | | <u>516,958.01</u> |
| | | | <u>36,875,730.30</u> |
| Balance, December 31, 2022 | C:C-3 | \$ | <u><u>1,415,578.42</u></u> |

"C-3"

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

ANALYSIS OF CASH

| | BALANCE DECEMBER 31, 2022 |
|---|---------------------------------|
| Capital Improvement Fund | \$ 149,426.83 |
| Fund Balance | 389,775.74 |
| Reserve for Encumbrances | 793,091.93 |
| Reserve for Developers Security Deposits Exhibit "C-9" | 1,818,940.95 |
| Unexpended Proceeds of Bond Anticipation Notes on "C-5" | 13,293.50 |
| Improvement Authorizations: | |
| Funded Improvements Listed on "C-7" | 1,009,469.43 |
| Improvements Expended Set Forth on "C-5" | (2,065,735.33) |
| Various Reserves | 68,905.00 |
| Interfunds Receivable | (768,418.11) |
| Interfunds Payable | 323,878.53 |
| Overexpenditure of Ordinance Appropriation | (69,526.77) |
| Cash on Hand to Pay Notes | 2,476.72 |
| Grants Receivable | (250,000.00) |
| | <u>\$ 1,415,578.42</u> |
| <u>REF.</u> | C:C-2 |

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

| | | |
|--|------|----------------------|
| Balance, December 31, 2021 | C | \$ 736,298.17 |
| Increased by: | | |
| Loans Issued | C-12 | 225,000.00 |
| | | <u>\$ 961,298.17</u> |
| Decreased by: | | |
| Paid by Current Year Budget Appropriation: | | |
| N.J.E.I.T. Loan Principal | C-12 | 88,626.32 |
| Balance, December 31, 2022 | C | <u>\$ 872,671.85</u> |

"C-6"

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2021 | C | \$ 2,263,330.72 |
| Increased by: | | |
| Improvement Authorizations | C-7 | <u>14,636,604.34</u> |
| | | \$ <u>16,899,935.06</u> |
| Decreased by: | | |
| Cash Disbursements | C-2 | <u>16,106,843.13</u> |
| Balance, December 31, 2022 | C | \$ <u><u>793,091.93</u></u> |

TOWNSHIP OF HILLSBOROUGH
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORD. NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE DATE | AMOUNT | BALANCE DECEMBER 31, 2021 | | 2022 AUTHORIZATIONS | PAID OR CHARGED | CANCELED | BALANCE DECEMBER 31, 2022 | |
|-----------------|---|----------------|---------------|---------------------------|--------------|---------------------|-----------------|--------------|---------------------------|--------------|
| | | | | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 2007-08 | Installation of Sewer Lines | 04/10/2007 | \$ 600,000.00 | \$ | \$ | \$ | \$ | 73,200.71 | \$ | \$ |
| 2007-20 | Installation of Sewer Lines | 07/10/2007 | 1,000,000.00 | 0.83 | 222,830.00 | | | 222,830.83 | | |
| 2007-43/2009-13 | Amending Ordinance 2007-43 | 04/14/2009 | 5,205,000.00 | | 1,097,327.72 | | | 1,097,327.72 | | |
| 2014-14 | Sanitary Sewer | 07/22/2014 | 1,650,000.00 | 42,371.25 | 436,517.00 | | (21,428.59) | 500,316.84 | | |
| General: | | | | | | | | | | |
| 1998-30 | Various Capital Improvements | 09/08/1998 | 920,000.00 | | 33,730.58 | | | 33,730.58 | | |
| 1998-33 | Various Capital Improvements | 09/08/1998 | 704,000.00 | 1,088.23 | | | | 1,088.23 | | |
| 1999-28 | Various Park Improvements | 05/23/1999 | 935,000.00 | 5,742.89 | | | | 5,742.89 | | |
| 2001-22/2005-18 | Various Capital Improvements | 05/23/2001 | 655,600.00 | 22,747.80 | | | | 22,747.80 | | |
| | | 02/05/2002 | 4,000,000.00 | | | | | | | |
| 2002-05/2004-49 | Expansion of Library Facilities | 12/14/2004 | 140,000.00 | | 33,214.96 | | | 33,214.96 | | |
| 2002-17 | New Amwell Road Reconfiguration | 05/28/2002 | 103,769.00 | 30,405.05 | | | | 30,405.05 | | |
| 2002-34 | Various Capital Improvements | 09/24/2002 | 347,602.00 | 11.29 | | | | 11.29 | | |
| 2003-18/2004-15 | Various Capital Improvements | 04/27/2004 | 1,265,495.00 | 1,013.35 | | | 20,000.00 | 1,013.35 | | |
| 2004-17/2007-13 | Various Capital Improvements | 05/11/2004 | 1,307,500.00 | 24,817.99 | | | | 4,817.99 | | |
| | | 05/09/2006 | 1,698,950.00 | | | | | | | |
| 2006-13/2008-24 | Amending Ordinance 2006-13/2006-21 | 07/22/2006 | 10,000.00 | 45,338.66 | | | (3,861.89) | 49,200.55 | | |
| | | 05/08/2007 | 1,514,845.00 | | | | | | | |
| 2007-15/2008-52 | Amending Ordinance 2007-15 | 12/23/2008 | 74,500.00 | 146,751.28 | | | (8,028.25) | 12,000.00 | 154,779.53 | |
| 2007-40 | Detention Basin Redesign Study | 11/12/2007 | 12,000.00 | 12,000.00 | | | | 520.46 | | |
| 2007-41 | Senior Citizen Activity Center | 12/11/2007 | 30,000.00 | 520.46 | | | | 654.57 | | |
| 2008-18 | Various Capital Improvements | 05/27/2008 | 1,289,936.00 | 654.57 | | | | | | |
| 2008-49 | Acquisition of Land | 12/23/2008 | 2,100,000.00 | | 2,048,484.03 | | | | | 2,048,484.03 |
| 2009-15 | | | | | | | | | | |
| | Acquisition and Construction of Salt Storage Facility | 04/28/2009 | 400,000.00 | 379.70 | | | | 379.70 | | |
| 2009-16 | Various Capital Improvements | 05/28/2009 | 938,000.00 | 10,100.00 | | | | | 10,100.00 | |
| 2011-13 | Various Capital Improvements | 06/28/2011 | 2,153,000.00 | 10,876.82 | | | 6,948.52 | | 3,928.30 | |
| 2011-17 | Various Capital Improvements | 08/23/2011 | 646,300.00 | 837.00 | | | (4,930.00) | 5,767.00 | | |
| 2012-20 | Various Capital Improvements | 06/26/2012 | 323,503.00 | 985.78 | | | | 985.78 | | |
| 2006-45 | Wastewater Management Plan | 09/12/2006 | 25,000.00 | 527.27 | | | | 527.27 | | |
| 2012-35 | Sale of Land | 12/13/2012 | 350,000.00 | 50,020.12 | | | | | 50,020.12 | |
| 2013-12 | Purchase of Various Capital Improvements | 05/14/2013 | 423,252.00 | 4,622.17 | | | | 4,622.17 | | |
| 2013-16 | Various Capital Improvements | 07/09/2013 | 716,713.00 | | 202.10 | | (2,234.62) | 2,436.72 | | |
| 2014-08 | Various Capital Improvements | 05/27/2014 | 265,295.00 | 2,251.40 | | | (6,602.94) | | 8,854.34 | |
| 2014-10 | Various Capital Improvements | 05/27/2014 | 1,500,000.00 | | 40.00 | | | 40.00 | | |
| 2014-17 | Various Capital Improvements | 10/14/2014 | 35,000.00 | 28,905.00 | | | | | 28,905.00 | |
| 2015-06 | Various Capital Improvements | 05/26/2015 | 1,196,708.10 | 10,473.23 | | | 10,473.23 | | | |

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORD. NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE DATE | AMOUNT | BALANCE DECEMBER 31, 2021 | | 2022 AUTHORIZATIONS | PAID OR CHARGED | CANCELED | BALANCE DECEMBER 31, 2022 | |
|----------------|---------------------------------|-------------------|---------------|------------------------------|------------------|------------------------|--------------------|-----------------|------------------------------|-----------------|
| | | | | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 2017-13 | Various Capital Improvements | 08/08/2017 | \$ 804,962.78 | \$ 109,719.40 | \$ | \$ | \$ (2,975.40) | \$ | \$ 112,694.80 | \$ |
| 2018-03 | Resurfacing of Beekman Lane | 03/27/2018 | 540,000.00 | 39,962.86 | | | | 39,962.86 | | |
| 2018-13 | Various Capital Improvements | 07/10/2018 | 575,000.00 | 15,884.71 | | | 3,231.50 | | 12,653.21 | |
| 2018-14 | Township-Wide Road Improvements | 08/14/2018 | 8,500,000.00 | | 195,007.25 | | 172,743.28 | | 179,777.04 | 22,263.97 |
| 2019-15 | Various Capital Improvements | 09/10/2019 | 676,578.00 | | | | (12.72) | | 55,569.60 | |
| 2020-23 | Various Capital Improvements | 09/10/2020 | 209,225.00 | | | | | | | |
| 2021-15 | Acquisition of Property | 08/10/2021 | 14,100,000.00 | | 13,385,000.00 | | 14,031,106.50 | | 115,989.17 | 13,293.50 |
| 2021-21 | Various Capital Improvements | 10/26/2021 | 741,000.00 | | | 447,000.00 | 0.00 | | 1,179.46 | |
| 2022-14 | Various Capital Improvements | 09/13/2022 | 447,000.00 | | | 270,000.00 | 445,820.54 | | 270,000.00 | |
| 2022-18 | Various Capital Improvements | 10/11/2022 | 220,000.00 | | | | | | | |
| | | | | \$ 1,745,061.59 | \$ 17,470,353.64 | \$ 719,022.00 | \$ 14,635,230.30 | \$ 2,203,674.00 | \$ 1,009,469.43 | \$ 2,084,041.50 |
| | | | | C | C | | | | C.C-3 | C.C-5 |
| | Grants Receivable | REF. | | | | | | | | |
| | Capital Improvement Fund | C-11 | | | | | | 39,962.86 | | |
| | Bonds and Notes Authorized | C-8 | | | | \$ 717,000.00 | | | | |
| | Fund Balance | C-5 | | | | | | 1,834,096.98 | | |
| | Due Assessment Fund | C-1 | | | | | | 320,721.77 | | |
| | Contracts Payable | C-10 | | | | | | 8,892.39 | | |
| | Less: Refunds | C-6 | | | | | | | | |
| | | C-2 | | | | | | | | |
| | | | | | | \$ 717,000.00 | \$ 14,635,230.30 | \$ 2,203,674.00 | | |

"C-8"

TOWNSHIP OF HILLSBOROUGH
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|-----------------------------------|-------------|-----------------------------|
| Balance, December 31, 2021 | C | \$ 166,426.83 |
| Increased by: | | |
| Current Year Budget Appropriation | C-2 | <u>700,000.00</u> |
| | | \$ <u>866,426.83</u> |
| Decreased by: | | |
| Appropriation to Finance | | |
| Improvement Authorizations | C-7 | <u>717,000.00</u> |
| Balance, December 31, 2022 | C | \$ <u><u>149,426.83</u></u> |

"C-9"

SCHEDULE OF DEVELOPERS' CONTRIBUTION DEPOSITS

| | | |
|----------------------------|-------|-------------------------------|
| Balance, December 31, 2021 | C | \$ 1,816,940.95 |
| Increased by: | | |
| Cash Receipts | C-2 | <u>2,000.00</u> |
| Balance, December 31, 2022 | C:C-3 | \$ <u><u>1,818,940.95</u></u> |

Note: An analysis of Developers' Deposits is on file in the Finance Office.

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>GRANT FUND</u> | <u>ASSESSMENT TRUST FUND</u> |
|-------------------------------------|-------------|---|--------------------------|--------------------------|----------------------------------|
| Balance, December 31, 2021 | | | | | |
| Due From | C | \$ 2,795,765.73 | \$ 2,444,231.63 | \$ | \$ 351,534.10 |
| Due To | C | <u>323,878.53</u> | | <u>323,878.53</u> | |
| Cash Receipts | | | | | |
| Canceled Improvement Authorizations | C-2 C-7 | <u>\$ 2,535,413.24</u> <u>8,892.39</u> | <u>\$ 2,535,413.24</u> | <u>\$</u> | <u>8,892.39</u> |
| Cash Disbursements | C-2 | <u>\$ 516,958.01</u> | <u>\$ 516,958.01</u> | <u>\$</u> | |
| Balance, December 31, 2022 | | | | | |
| Due From | C | \$ 768,418.11 | \$ 425,776.40 | \$ | \$ 342,641.71 |
| Due To | C | <u><u>323,878.53</u></u> | <u><u>425,776.40</u></u> | <u><u>323,878.53</u></u> | |

"C-11"

TOWNSHIP OF HILLSBOROUGH
GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2021 | C | \$ 289,962.86 |
| Decreased by: | | |
| Canceled | C-7 | <u>39,962.86</u> |
| Balance, December 31, 2022 | C | \$ <u><u>250,000.00</u></u> |

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF NJEIT LOANS PAYABLE

| IMPROVEMENT DESCRIPTION | DATE OF ORIGINAL ISSUE | AMOUNT OF ORIGINAL ISSUE | OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2021 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2022 |
|------------------------------|-----------------------------|--------------------------|-------------------|------------------------|---------------|---------------------------|---------------|--------------|---------------------------|
| | | | DATE | AMOUNT | | | | | |
| Sewer Loans | 3/10/2010 Savings credit | \$ 426,761.99 | 8/1/2023 | \$ 21,498.29 | 4.000% | \$ | \$ | \$ | |
| | | (55,000.00) | 8/1/2024 | 21,498.29 | 4.000% | | | | |
| | | | 8/1/2025 | 22,892.94 | 4.000% | | | | |
| | | | 8/1/2026 | 24,287.59 | 3.500% | | | | |
| | | \$ 371,761.99 | 8/1/2027 | 25,682.24 | 4.000% | | | | |
| | | | 8/1/2028 | 26,076.88 | 4.000% | | | | |
| | | | 8/1/2029 | 26,076.88 | 4.000% | 188,116.76 | 20,103.65 | | 168,013.11 |
| Sewer Loans | 3/10/2010 | 1,233,408.11 | 2023-2028 2029 | 68,522.67 68,522.72 | 0% | 548,181.41 | 68,522.67 | | 479,658.74 |
| Sewer Loans (S340-099-02) | 12/22/2016 | 275,000.00 | 8/1/2023 | 10,000.00 | 5.000% | | | | |
| | | | 8/1/2024-26 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/2027-31 | 15,000.00 | 4.000% | | | | |
| | | | 8/1/2032-35 | 20,000.00 | 4.000% | | | | |
| | | | 8/1/2036 | 15,000.00 | 4.000% | | 225,000.00 | | 225,000.00 |
| | | | | | | | | | |
| | | | | | | \$ 736,298.17 | \$ 225,000.00 | \$ 88,626.32 | \$ 872,671.85 |
| | | | | | REF. | C | C-4 | C-4 | C |

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ISSUE OF ORIGINAL NOTE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | | <u>BALANCE DECEMBER 31, 2021</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|------------------|--------------------------------|---|--------------------------|-----------------------------|--------------------------|----|--|-------------------------|-------------------------|--|
| 2013-16 | Various Capital Improvements | 12/12/13 | 11/23/21 11/22/22 | 11/23/22 11/22/23 | 1.250% 4.450% | \$ | 135,377.00 \$ | 66,877.00 | 135,377.00 \$ | 66,877.00 |
| 2014-10 | Various Capital Improvements | 12/08/16 | 11/23/21 11/22/22 | 11/23/22 11/22/23 | 1.250% 4.450% | | 997,500.00 | 855,000.00 | 997,500.00 | 855,000.00 |
| 2018-14 | Road Improvements | 03/28/19 | 03/26/21 02/16/22 | 02/17/22 02/16/23 | 1.500% 2.000% | | 6,000,000.00 | 5,789,000.00 | 6,000,000.00 | 5,789,000.00 |
| 2021-15 | Acquisition of Property | 12/10/21 | 12/10/21 12/08/22 | 12/9/22 12/08/23 | 0.480% 5.500% | | 13,395,000.00 | 13,395,000.00 | 13,395,000.00 | 13,395,000.00 |
| | | | | | | \$ | <u>20,527,877.00 \$</u> | <u>20,105,877.00 \$</u> | <u>20,527,877.00 \$</u> | <u>20,105,877.00</u> |
| | | | | | | | | | | |
| | | | <u>REF.</u> | | | | C | C-2 | | C:C-5 |
| | | | Notes Paid by Budget | C-5 | | | | | \$ 422,000.00 | |
| | | | Cash Disbursements | C-2 | | | | | <u>20,105,877.00</u> | |
| | | | | | | | | | \$ <u>20,527,877.00</u> | |

"C-14"

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

| <u>RESERVE</u> | BALANCE DECEMBER <u>31, 2021</u> | BALANCE DECEMBER <u>31, 2022</u> |
|-----------------------------------|--|--|
| Waterline Meter | \$ 6,405.00 | \$ 6,405.00 |
| Budget Appropriations: | | |
| Upgrade Emergency Vehicle Shelter | 14,000.00 | 14,000.00 |
| Emergency Generator | 10,000.00 | 10,000.00 |
| Capital Contracts | <u>38,500.00</u> | <u>38,500.00</u> |
| | <u>\$ 68,905.00</u> | <u>\$ 68,905.00</u> |
| <u>REF.</u> | C | C |

"C-15"

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF OVEREXPENDITURE
OF ORDINANCE APPROPRIATION

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Increased by: | | |
| Overexpenditure in 2022 | C-2 | \$ <u>69,526.77</u> |
| Balance, December 31, 2022 | C | \$ <u><u>69,526.77</u></u> |

TOWNSHIP OF HILLSBOROUGH

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2022</u> |
|-----------------------------|---|--|
| 1998-30 | Various Capital Improvements | \$ 190,775.38 |
| 2002-05/2004-49 | Expansion of Library Facilities | 85,161.02 |
| 2008-49 | Acquisition of Land | 2,050,000.00 |
| 2007-43/2009-13 | Installation of Sanitary Sewer System - Claremont | 34,372.28 |
| 2009-15 | Various Road Improvements | 639,829.90 |
| 2018-14 | Township-Wide Road Improvements | <u>1,136,344.75</u> |
| | | <u>\$ 4,136,483.33</u> |

TOWNSHIP OF HILLSBOROUGH

PART II

SINGLE AUDIT SECTION

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

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the Township Committee
Township of Hillsborough
County of Somerset
Hillsborough, New Jersey 08844

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Hillsborough, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated October 24, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Hillsborough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted other matters of noncompliance which are discussed in Part III, General Comments and Recommendations section of this 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 Township of Hillsborough's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Hillsborough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 24, 2023



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the Township Committee
Township of Hillsborough
County of Somerset
Hillsborough, New Jersey 08844

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

SUPLEE, CLOONEY & COMPANY

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

SUPLEE, CLOONEY & COMPANY

Report on Internal Control Over Compliance

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

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 24, 2023

TOWNSHIP OF HILLSBOROUGH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

| FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL ALN | GRANTOR'S NUMBER | GRANT PERIOD FROM TO | GRANT AWARD AMOUNT | RECEIVED | EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2022 |
|--|----------------|-----------------------|-------------------------|--------------------------|--------------|-----------------|--|
| U.S. DEPARTMENT OF JUSTICE: | | | | | | | |
| Enforcing Underage Drinking Laws Program - Passed Through the New Jersey Department of Law and Public Safety | 16.710 | 2000CMWX0180 | 9/1/2000 8/31/2001 | \$ 43,627.00 | \$ 6,250.00 | \$ | 43,627.00 |
| COPS More | 16.734 | 2017-066-1200-100-B89 | | 34,171.90 | 34,171.90 | | 34,171.90 |
| Special Data Collections and Statistical Studies | 16.607 | N/A | | 5,417.40 | | | 5,115.26 |
| Bulletproof Vest Partnership | | | | | 40,421.90 | | 82,914.16 |
| United States Department of Treasury, Pass Through State of New Jersey | | | | | | | |
| Department of Community Affairs | | | | | | | |
| Coronavirus Relief Fund | 21.019 | 2020-022-8030-100-686 | 03/01/2020 12/31/2020 | 510,657.40 | | | 452,123.89 |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 2021-022-8030-100-687 | | 4,181,508.76 | 2,090,754.38 | 1,255,549.73 | 1,445,499.58 |
| | | | | | 2,090,754.38 | 1,255,549.73 | 1,897,623.47 |
| U.S. DEPARTMENT OF HEALTH | | | | | | | |
| Local Public Health Emergency Response to H1N1 | 93.069 | 10-951-BT-L-1 | 10/1/2009 7/30/2012 | 101,494.00 | | | 101,288.32 |
| COVID Public Health Workforce | 93.354 | 2022-046-4230-100-562 | | 16,534.00 | 16,534.00 | | 16,534.00 |
| COVID19 Epidemiology and Lab Capacity for Infectious Diseases (ELC) | 93.323 | 2020-046-4230-100-547 | | 172,530.00 | 50,444.96 | | 50,444.96 |
| COVID19 Epidemiology and Lab Capacity for Infectious Diseases (ELC) | 93.323 | 2020-046-4230-100-547 | | 172,530.00 | 180,190.04 | 172,530.00 | 172,530.00 |
| Immunization Cooperative | 93.268 | 2021-046-4230-100-556 | | 104,445.00 | 16,960.00 | 20,695.42 | 20,695.40 |
| | | | | | 264,149.00 | 193,225.42 | 361,492.68 |
| U.S. DEPARTMENT OF HOMELAND SECURITY: | | | | | | | |
| Public Assistance for Presidentially Declared Disasters - Passed Through the New Jersey Department of Law and Public Safety | 97.036 | 2022-066-1200-100-C84 | Continuous | 25,920.00 | 25,920.00 | | 25,920.00 |
| Hurricane IDA | 97.042 | 2021-066-1200-100-726 | | 10,000.00 | 10,000.00 | | |
| Emergency Management Performance Services | 97.042 | | | 10,000.00 | | 772.64 | 10,000.00 |
| Emergency Management Performance Services | 97.042 | | | 10,000.00 | | 8,256.99 | 9,616.42 |
| Emergency Management Performance Services | 97.042 | | | 10,000.00 | | 3,841.95 | 3,841.95 |
| Hazard Mitigation Grant - Energy Allocation Initiative | 97.039 | | 01/01/2015 12/31/2015 | 120,000.00 | | | 113,997.36 |
| | | | | | 35,920.00 | 12,871.58 | 169,375.73 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | | | |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) | | | | | | | |
| State and Community Highway Safety - Passed Through the New Jersey Department of Law and Public Safety | 20.600 | 2014-066-1160-100-036 | 1/1/2014 12/31/2014 | 4,971.60 | | 4,971.60 | |
| Selective Enforcement Management (Distracted Driver Grant) | 20.600 | 2015-066-1160-100-036 | 1/1/2015 12/31/2015 | | | | |
| National Priority Safety Programs - Passed Through | | | | | | | |
| the New Jersey Department of Law and Public Safety | 20.616 | 2015-066-1160-100-157 | 1/1/2015 12/31/2015 | | | | |
| Impaired Driving Countermeasure (Drive Sober, or Get Pulled Over) | 20.616 | 2015-066-1160-100-155 | 1/1/2016 12/31/2016 | 3,993.62 | | 3,993.62 | 3,993.62 |
| Occupant Protection (Click It or Ticket) | | | | | | | |
| Highway Planning and Construction - Passed | | | | | | | |
| Through the New Jersey Department of Transportation | 20.205 | 2017-078-6100-100-051 | Continuous | 39,505.35 | | | 39,504.39 |
| Safe Corridors | | | | | | 8,965.22 | 48,469.61 |
| TOTAL | | | | \$ | 2,390,823.38 | \$ 1,511,033.85 | \$ 2,559,875.67 |

The accompanying Notes to the Schedule of Expenditures of Federal Awards is an integral part of this schedule.

TOWNSHIP OF HILLSBOROUGH

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule of expenditures agree with the amounts reported in the related federal financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedule of expenditures agree with amounts reported in the Township's statutory basis financial statements. These amounts are reported either in the Current Fund or Grant Fund.

Revenues:

| | <u>Federal</u> | <u>Total</u> |
|--------------|------------------------|------------------------|
| Current Fund | \$ 25,920.00 | \$ 25,920.00 |
| Grant Fund | <u>2,364,903.38</u> | <u>2,364,903.38</u> |
| | <u>\$ 2,390,823.38</u> | <u>\$ 2,390,823.38</u> |

Expenditures:

| | <u>Federal</u> | <u>Total</u> |
|------------|------------------------|------------------------|
| Grant Fund | \$ <u>1,511,033.85</u> | \$ <u>1,511,033.85</u> |
| | <u>\$ 1,511,033.85</u> | <u>\$ 1,511,033.85</u> |

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedule. In addition, the Township has elected not to use the 10% *de minimis* inherent cost note as allowed under Uniform Guidance.

TOWNSHIP OF HILLSBOROUGH
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Program(s)

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

| <u>Program</u> | <u>Federal AL#</u> |
|---|--------------------|
| U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds | 21.027 |

TOWNSHIP OF HILLSBOROUGH
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Federal Program(s) (Continued)

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$750,000.00

Type B Federal Program Threshold <= \$750,000.00

(6) Auditee qualified as a low-risk auditee under the Uniform Guidance? No

State Program(s) - Not Applicable

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs - None Reported

State Programs - None Reported

Status of Prior Year Audit Findings - Not Applicable

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TOWNSHIP OF HILLSBOROUGH

PART III

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

| | YEAR 2022 | | YEAR 2021 | |
|--|--------------------------|----------------|--------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 3,025,000.00 | 1.71% | \$ 3,025,000.00 | 1.75% |
| Miscellaneous - From Other Than Local Property Tax Levies | 13,310,248.95 | 7.53% | 14,129,708.16 | 8.20% |
| Collection of Delinquent Taxes and Tax Title Liens | 1,016,009.38 | 0.58% | 1,203,894.17 | 0.70% |
| Collections of Current Tax Levy | <u>159,337,484.91</u> | <u>90.18%</u> | <u>154,023,399.03</u> | <u>89.35%</u> |
| <u>Total Revenue</u> | <u>\$ 176,688,743.24</u> | <u>100.00%</u> | <u>\$ 172,382,001.36</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 34,185,192.69 | 19.64% | \$ 34,515,071.47 | 20.36% |
| County Taxes | 27,917,552.16 | 16.04% | 26,717,899.27 | 15.76% |
| Local School Taxes | 104,300,350.00 | 59.92% | 102,740,012.00 | 60.62% |
| Fire District Tax | 4,364,178.00 | 2.51% | 2,949,730.00 | 1.74% |
| Township Open Space | 2,008,398.15 | 1.15% | 1,849,636.09 | 1.09% |
| Other Expenditures | <u>1,284,317.50</u> | <u>0.74%</u> | <u>722,255.14</u> | <u>0.43%</u> |
| <u>Total Expenditures</u> | <u>\$ 174,059,988.50</u> | <u>100.00%</u> | <u>\$ 169,494,603.97</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 2,628,754.74 | | \$ 2,887,397.39 | |
| Adjustments to Income Before Fund Balance: | | | | |
| Expenditures Included Above Which are by Statute | | | | |
| Deferred Charges to Budget of Succeeding Year | | | <u>300,000.00</u> | |
| Regulatory Excess to Fund Balance | \$ 2,628,754.74 | | \$ 3,187,397.39 | |
| Fund Balance - January 1 | <u>6,089,679.20</u> | | <u>5,927,281.81</u> | |
| | \$ 8,718,433.94 | | \$ 9,114,679.20 | |
| Less: Utilization as Anticipated Revenue | <u>3,025,000.00</u> | | <u>3,025,000.00</u> | |
| Fund Balance, December 31 | <u>\$ 5,693,433.94</u> | | <u>\$ 6,089,679.20</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-----------------------------|----------------|----------------|----------------|
| Tax Rate | <u>\$2.233</u> | <u>\$2.348</u> | <u>\$2.384</u> |
| Apportionments of Tax Rate: | | | |
| Municipal | \$0.292 | \$0.310 | \$0.316 |
| Municipal Open Space | 0.028 | 0.028 | 0.028 |
| County | 0.314 | 0.327 | 0.329 |
| County Library | 0.045 | 0.048 | 0.048 |
| County Open Space | 0.031 | 0.031 | 0.031 |
| Regional School | 1.461 | 1.559 | 1.588 |
| Fire District | <u>0.062</u> | <u>0.045</u> | <u>0.044</u> |

ASSESSED VALUATIONS

| | | |
|------|---------------------------|---------------------------|
| 2022 | <u>\$7,139,185,995.00</u> | |
| 2021 | <u>\$6,586,805,855.00</u> | |
| 2020 | | <u>\$6,343,552,519.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CURRENTLY</u> | |
|-------------|------------------|-----------------------------------|---|
| | | <u>CASH</u> <u>COLLECTIONS</u> | <u>PERCENTAGE OF</u> <u>COLLECTION</u> |
| 2022 | \$160,215,892.75 | \$159,337,484.91 | 99.45% |
| 2021 | \$155,169,062.06 | \$154,023,399.03 | 99.26% |
| 2020 | \$152,486,412.35 | \$151,284,544.09 | 99.21% |

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>YEAR</u> | <u>AMOUNT OF TAX TITLE LIENS</u> | <u>AMOUNT OF DELINQUENT TAXES</u> | <u>TOTAL DELINQUENT</u> | <u>PERCENTAGE OF TAX LEVY</u> |
|-------------|--|---|-----------------------------|-----------------------------------|
| 2022 | \$439,886.88 | \$854,377.73 | \$1,294,264.61 | 0.81% |
| 2021 | \$395,373.43 | \$1,051,376.40 | \$1,446,749.83 | 0.93% |
| 2020 | \$422,762.64 | \$1,169,604.32 | \$1,592,366.96 | 1.04% |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|----------------|
| 2022 | \$1,642,200.00 |
| 2021 | \$1,642,200.00 |
| 2020 | \$1,642,200.00 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | <u>BALANCE DECEMBER 31</u> | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> |
|--------------|-------------|--------------------------------|--|
| | 2022 | \$5,693,433.94 | \$4,500,000.00 |
| | 2021 | \$6,089,679.20 | \$3,025,000.00 |
| Current Fund | 2020 | \$5,927,281.81 | \$3,025,000.00 |
| | 2019 | \$4,476,403.41 | \$2,500,000.00 |
| | 2018 | \$3,136,723.68 | \$2,350,000.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> | <u>SURETY COMPANY</u> |
|------------------|--|---------------------------|---------------------------|
| Shawn Lipani | Mayor | * | |
| Janine Erickson | Deputy Mayor to November 9, 2022 | * | |
| Robert Britting | Committeeperson from March 22, 2022 | * | |
| Steven Cohen | Committeeperson to March 2022 | * | |
| Frank DelCore | Committeeperson, Deputy Mayor from November 9, 2022 | * | |
| James Ruh Jr. | Committeeperson from December 2, 2022 | * | |
| Douglas Tomson | Committeeperson | * | |
| Anthony Ferrera | Administrator, Deputy Clerk | * | |
| Nancy Costa | Tax Collector, Chief Financial Officer, Treasurer | \$ 1,000,000.00 | M.E.L.J.I.F. |
| April Crossen | Deputy Treasurer | * | |
| Debra L. Blaney | Tax Assessor | * | |
| Pamela Borek | Municipal Clerk | * | |
| William Willard | Attorney | * | |
| Francesco Taddeo | Magistrate | * | |
| Susan Keeth | Court Administrator | * | |
| Nancy Horvath | Deputy Court Administrator | * | |
| Mike McMahon | Chief of Police | * | |
| Richard Resavy | Director of Public Works | * | |
| John Fiedler | Construction Code Official | * | |
| Robert Wagner | Director of Parks and Recreation | * | |

*Blanket Position Bond \$1,000,000.00 Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

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GENERAL 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 therefor, 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 (C.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. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution dated June 9, 2020 of the governing body, the bid threshold for all purchases made by the Township's qualified purchasing agent is \$44,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

- Window and Shutter Repairs/Replacement – Vanderveer House
- 2022 Capital Roadway Resurfacing
- Custodial Services
- 2022 Road Maintenance Materials
- 2022 Sidewalk and Curbing Replacement
- Amsterdam Drive Phase II Resurfacing
- Purchase 2020 Mack 10 Wheel Dump Truck
- Green Hills Drainage Channel Cleaning Project
- Purchase of Plan Review Tables

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 audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

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

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 5, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"WHEREAS, N.J. Revised Statutes 54:4-67 implies that affirmative action is required on the part of the governing body in fixing the rate of interest on delinquent taxes:

"THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Hillsborough that the interest rate on delinquent taxes shall be 8% per annum of the first \$1,500.00 and 18% per annum on any amount in excess of \$1,500.00 for the year 2022 and no interest shall be charged if payment of any installment is made within the 10th calendar day following the day upon which same became payable.

BE IT FURTHER RESOLVED, in accordance with N.J.S.A.54:4-67 the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year and that such penalty shall not exceed 6% of the amount of the delinquency.

BE IT FURTHER RESOLVED, that in any case where the taxes are not paid during the respective extended periods, the full interest rate from the due date shall apply."

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 28, 2022 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2022 | 51 |
| 2021 | 52 |
| 2020 | 54 |

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

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A confirmation 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> | <u>NUMBER MAILED</u> |
|-------------------------|----------------------|
| Tax Payment Information | 10 |
| Delinquent Taxes | 10 |

OTHER COMMENTS

Interfunds

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

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

Treasurer

Expenditures were charged to Grants which were in excess of grant award amounts appropriated 2022 Budget or by budget amendment. The amount of the overexpenditure will be raised in the 2024 budget.

There are Deferred Charges to Future Taxation – Unfunded balances as of year end, over 5 years old, where the projects have been completed however the costs remain unfunded.

Expenditures were charged to General Capital Improvement Authorizations, which were in excess of Adopted Capital Ordinances.

RECOMMENDATIONS

That all grants be appropriated in the Budget prior to the commitment or expenditures of funds.

That Deferred Charges to Future Taxation over 5 years old, where the projects have been complete, be funded.

That no expenditures be made in excess of the amounts approved for Capital Improvement Authorizations.

