

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Township of Middletown*

*in the*

*County of Monmouth*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2023*



TOWNSHIP OF MIDDLETOWN

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-4
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis-Year Ended December 31, 2023	"A-2"
Statement of Expenditures - Regulatory Basis-Year Ended December 31, 2023	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	"C-1"
<u>General Fixed Asset Account Group:</u>	
Balance Sheets - Regulatory Basis	"D"
	<u>PAGES</u>
Notes to Financial Statements	5-43

TOWNSHIP OF MIDDLETOWN

I N D E X (CONTINUED)

EXHIBITS

Supplementary Schedules - All Funds

Current Fund:

Schedule of Cash-Treasurer	"A-4"
Schedule of Cash-Collector	"A-5"
Schedule of Change Funds	"A-6"
Schedule of Petty Cash Funds	"A-7"
Schedule of Due From/(To) State of New Jersey Senior Citizens and Veterans Deductions	"A-8"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-9"
Schedule of Tax Title Liens	"A-10"
Schedule of Property Acquired for Taxes (at Assessed Valuation)	"A-11"
Schedule of Revenue Accounts Receivable	"A-12"
Schedule of Appropriation Reserves	"A-13"
Schedule of Interfunds	"A-14"
Schedule of Encumbrances Payable	"A-15"
Schedule of Accounts Payable	"A-16"
Schedule of Prepaid Taxes	"A-17"
Schedule of Tax Overpayments	"A-18"
Schedule of Various Reserves	"A-19"
Schedule of Tax Appeals	"A-20"
Schedule of County Taxes Payable	"A-21"
Schedule of Due County for Added Taxes	"A-22"
Schedule of Local District School Tax Payable	"A-23"
Schedule of Municipal Open Space Tax Payable	"A-24"
Schedule of Grants Receivable - Grant Fund	"A-25"
Schedule of Reserve for Grants Appropriated - Grant Fund	"A-26"
Schedule of Encumbrances Payable - Grant Fund	"A-27"
Schedule of Due from Current Fund - Grant Fund	"A-28"
Schedule of Grants Unappropriated - Grant Fund	"A-29"
Schedule of Deferred Charges	"A-30"

Trust Fund:

Schedule of Cash-Treasurer	"B-1"
Schedule of Animal License Fees Due State of New Jersey	"B-2"
Schedule of Reserve for Animal Control Fund Expenditures	"B-3"
Schedule of Community Development Block Grant Receivable	"B-4"
Schedule of Reserve for Miscellaneous Deposits and Reserves	"B-5"
Schedule of Reserve for Open Space Fund	"B-6"
Schedule of Reserve for Community Development Block Grant	"B-7"
Schedule of Reserve for Self-Insurance Fund	"B-8"
Schedule of Reserve for Payroll Fund	"B-9"
Schedule of Reserve for Encumbrances Payable	"B-10"
Schedule of Municipal Open Space-Tax Receivable	"B-11"



TOWNSHIP OF MIDDLETOWN

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash and Investments	"C-3"
Schedule of Grants Receivable	"C-4"
Schedule of Deferred Charges to Future Taxation - Funded	"C-5"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-6"
Schedule of Contracts Payable	"C-7"
Schedule of Improvement Authorizations	"C-8"
Schedule of General Serial Bonds	"C-9"
Schedule of Green Acres Loan Payable	"C-10"
Schedule of Various Reserves	"C-11"
Schedule of Capital Improvement Fund	"C-12"
Schedule of Bonds and Notes Authorized But Not Issued	"C-13"

PART II

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	44-45
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Awards Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance	46-48
Schedule of Expenditures of Federal Awards - Year Ended December 31, 2023	49-50
Notes to the Schedules of Expenditures of Federal Awards - Year Ended December 31, 2023	51-52
Schedule of Findings and Questioned Costs for the Year Ended December 31, 2023	53-54
Summary of Schedule of Prior Audit Findings for the Year Ended December 31, 2023	55

PART III

Statistical Data	56-58
Officials in Office and Surety Bonds	59
General Comments and Recommendations	60-63



TOWNSHIP OF MIDDLETOWN

PART I

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2023 AND 2022



# SUPLEE, CLOONEY & COMPANY LLC

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Township Committee  
Township of Middletown  
County of Monmouth  
Middletown, New Jersey 07748

### ***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 Middletown (the "Township"), as of and for the year ended December 31, 2023 and 2022, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the 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, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2023.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

***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. 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.

## SUPLEE, CLOONEY & COMPANY LLC

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 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 LLC

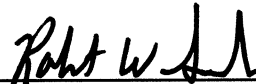
### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2024, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.



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CERTIFIED PUBLIC ACCOUNTANTS



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REGISTERED MUNICIPAL ACCOUNTANT NO. 439

May 21, 2024

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CURRENT FUND

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>ASSETS</u>			
Current Fund:			
Cash-Treasurer	A-4	\$ 55,898,788.02	\$ 53,473,471.95
Cash-Tax Collector	A-5	97,643.80	186,141.90
Cash-Change Funds	A-6	3,100.00	3,100.00
Due From State of New Jersey:			
Chapter 20, P.L.1971	A-8	4,415.58	8,770.94
Deferred Charges:			
Emergency Authorizations	A-30	175,000.00	300,000.00
		\$ <u>56,178,947.40</u>	\$ <u>53,971,484.79</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 3,861.56	\$ 19,417.57
Tax Title Liens Receivable	A-10	234,898.02	243,968.95
Property Acquired for Taxes-Assessed Valuation	A-11	1,485,300.00	1,485,300.00
Revenue Accounts Receivable	A-12	22,323.25	20,362.31
	A	\$ <u>1,746,382.83</u>	\$ <u>1,769,048.83</u>
Total Current Fund		\$ <u>57,925,330.23</u>	\$ <u>55,740,533.62</u>
Grant Fund:			
Cash-Treasurer	A-4	\$ 2,465,233.00	\$ 4,430,583.00
Grants Receivable	A-25	612,037.29	313,621.75
Interfunds Receivable	A-28	205,057.40	471,824.09
Total Grant Fund		\$ <u>3,282,327.69</u>	\$ <u>5,216,028.84</u>
Total Assets		\$ <u><u>61,207,657.92</u></u>	\$ <u><u>60,956,562.46</u></u>

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 4,858,448.69	\$ 4,978,787.28
Interfunds Payable	A-14	205,057.40	471,824.09
Encumbrances Payable	A-15	3,969,395.83	4,263,248.49
Accounts Payable	A-16	72,047.70	66,590.76
Prepaid Taxes	A-17	1,484,421.94	1,441,105.65
Tax Overpayments	A-18	11,239.32	17,419.24
Special Emergency Note Payable		175,000.00	
Reserve for:			
Various Reserves	A-19	1,272,264.44	856,412.06
Tax Appeals	A-20	2,158,418.39	2,130,662.76
County Taxes Payable	A-22	118,740.87	214,991.66
Local School Taxes Payable	A-23	15,471,041.98	13,973,775.98
		\$ 29,796,076.56	\$ 28,414,817.97
Reserve for Receivables and Other Assets	A	1,746,382.83	1,769,048.83
Fund Balance	A-1	26,382,870.84	25,556,666.82
Total Current Fund		\$ 57,925,330.23	\$ 55,740,533.62
Grant Fund:			
Reserve for Grants Appropriated	A-26	\$ 831,125.51	\$ 679,158.25
Encumbrances Payable	A-27	37,325.55	148,069.12
Reserve for Grants Unappropriated	A-29	2,413,876.63	4,388,801.47
Total Grant Fund		\$ 3,282,327.69	\$ 5,216,028.84
Total Liabilities, Reserves and Fund Balance		\$ 61,207,657.92	\$ 60,956,562.46

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

"A-1"

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE-REGULATORY BASIS

			YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
	REF.			
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	A-1:A-2	\$	11,600,000.00	\$ 10,700,000.00
Miscellaneous Revenue Anticipated	A-2		22,726,614.02	19,058,480.87
Receipts From Delinquent Taxes	A-2		55,185.16	29,926.04
Receipts From Current Taxes	A-2		262,632,076.17	255,809,580.21
Non-Budget Revenues	A-2		492,012.39	867,464.44
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	A-13		5,664,885.37	4,765,114.53
Appropriated Grant Reserves Cancelled	A-14:A-28		5,962.07	20,339.67
Accounts Payable Cancelled	A-16		13,866.60	49,904.16
Tax Overpayments Cancelled	A-18			1.17
<u>TOTAL REVENUE AND OTHER INCOME</u>		\$	<u>303,190,601.78</u>	\$ <u>291,300,811.09</u>
<u>EXPENDITURES</u>				
Budget and Emergency Appropriations:				
Operations Within "CAPS":	A-3	\$	64,443,066.00	\$ 61,694,830.00
Deferred Charges and Statutory Expenditures-Municipal	A-3		8,055,426.29	7,548,878.75
Other Operations Excluded From "CAPS"	A-3		9,638,428.67	7,217,636.91
Capital Improvements-Excluded From "CAPS"	A-3		3,625,000.00	3,071,000.00
Municipal Debt Service	A-3		8,242,188.88	8,257,985.60
Deferred Charges-Municipal	A-3		300,000.00	
Judgments	A-3		54,060.28	
County Taxes	A-21		30,820,013.41	30,094,317.39
Due County for Added Taxes	A-22		118,740.87	214,991.66
Local District School Taxes	A-23		161,062,781.00	157,972,679.00
Municipal Open Space Tax	A-24		4,542,281.74	4,082,697.52
Prior Year Senior Citizens Disallowed	A-8		3,544.88	5,336.36
Refund of Prior Year Revenue	A-4		27,356.59	903.00
Grants Receivable Cancelled	A-25:A-28		6,509.15	41,074.02
<u>TOTAL EXPENDITURES</u>		\$	<u>290,939,397.76</u>	\$ <u>280,202,330.21</u>
Excess in Revenue		\$	12,251,204.02	\$ 11,098,480.88
Adjustments to Income Before Fund Balance:				
Expenditures Included above which are Deferred				
Charges to Budget of Succeeding Year	A		<u>175,000.00</u>	<u>300,000.00</u>
Regulatory Excess to Fund Balance		\$	12,426,204.02	\$ 11,398,480.88
Fund Balance, January 1	A		<u>25,556,666.82</u>	<u>24,858,185.94</u>
		\$	<u>37,982,870.84</u>	\$ <u>36,256,666.82</u>
Decreased by:				
Utilization as Anticipated Revenue	A-1:A-2		<u>11,600,000.00</u>	<u>10,700,000.00</u>
Fund Balance, December 31	A	\$	<u><u>26,382,870.84</u></u>	\$ <u><u>25,556,666.82</u></u>

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

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

REF.	ANTICIPATED		SPECIAL N.J.S 40A: 4-87		REALIZED	EXCESS OR (DEFICIT)
	BUDGET					
Fund Balance Anticipated	A-1	\$ 11,600,000.00	\$		\$ 11,600,000.00	\$
Miscellaneous Revenues:						
Licenses:						
Alcoholic Beverages	A-12	\$ 65,000.00	\$		\$ 67,389.50	\$ 2,389.50
Other	A-12	36,500.00			52,175.00	15,675.00
Fees and Permits:	A-2;A-12	487,000.00			570,788.50	83,788.50
Fines and Costs:						
Municipal Court	A-12	300,000.00			340,640.00	40,640.00
Interest and Costs on Taxes	A-12	225,000.00			225,739.86	739.86
Parking Meters	A-12	350,000.00			469,065.50	119,065.50
Interest on Investments and Deposits	A-12	700,000.00			3,038,212.58	2,338,212.58
Rental Income - Middletown EMS	A-12	9,000.00			9,001.00	1.00
Field User Fees	A-12	185,000.00			208,252.00	23,252.00
Chapel Hill Associates PILOT	A-12	36,000.00			35,840.98	(159.02)
Edgewood Park PILOT	A-12	105,500.00			110,903.24	5,403.24
Senior Citizen Housing PILOT	A-12	410,000.00			400,935.11	(9,064.89)
Sloan Kettering PILOT	A-12	193,000.00			202,418.63	9,418.63
33 Vanderbilt LLC (E&N) PILOT	A-12	7,000.00			10,635.33	3,635.33
Energy Receipts Tax	A-12	6,086,718.00			6,086,717.72	(0.28)
Municipal Relief Fund Aid	A-12	315,327.18			315,327.18	
Watershed Aid	A-12	7,755.00			7,755.00	
Uniform Construction Code Fees	A-12	2,500,000.00			3,199,507.00	699,507.00
Fair Haven Tax Collector Shared Service	A-12	18,000.00			19,873.48	1,873.48
Fair Haven CFO Shared Service	A-12	60,000.00			66,244.84	6,244.84
Middletown Board of Education - Shared Service	A-12	255,000.00			361,871.23	106,871.23
Shared Services - Board of Education Security	A-12	1,386,000.00			1,211,078.87	(174,921.13)
Borough of Highlands Building Department Shared	A-12	192,500.00			198,275.00	5,775.00
Body Armor Replacement	A-25	6,516.33			6,516.33	
Municipal Alliance DEDR Grant	A-25	25,852.50		6,670.00	32,522.50	
Police - Distracted Driving	A-25	22,000.00			22,000.00	
Recycling Tonnage Grant	A-25	95,635.07			95,635.07	
Alliance - DMAS Youth Leadership Grant	A-25	11,742.25			11,742.25	
Alliance - National Opioids Settlement	A-25	48,207.62		62,803.89	111,011.51	
Senior Center Grant	A-25	33,500.00			33,500.00	
NJ Child Care Hiring/Retention	A-25	5,385.00			5,385.00	
Tonya Keller Community Center Improvement Grant	A-25	75,000.00		62,000.00	137,000.00	
Bayshore DWI Saturation Patrol	A-25			24,990.00	24,990.00	
Child Passenger Safety Seat	A-25			19,600.00	19,600.00	
NJ ARP Stabilization	A-25			15,000.00	15,000.00	
Clean Communities	A-25			176,464.64	176,464.64	
Patrick Leahy Bulletproof Vest	A-25			37,620.12	37,620.12	
CBA SLEO III	A-25			26,753.00	26,753.00	
Click It Or Ticket	A-25			7,000.00	7,000.00	
Drunk Driving Enforcement	A-25			70,896.75	70,896.75	
Emergency Management EMEA	A-25			10,000.00	10,000.00	
Stormwater Assistance	A-25			25,000.00	25,000.00	
Spotted Lanternfly	A-25			15,000.00	15,000.00	
Millstone Tax Assessment Service	A-12			35,566.00	31,120.85	(4,445.15)
Uniform Fire Safety Act	A-12	90,000.00			94,321.85	4,321.85
Hotel Occupancy Tax	A-12	300,000.00			403,708.85	103,708.85
Cable TV Franchise Fee - Comcast	A-12	430,000.00			431,818.55	1,818.55
Cable TV Franchise Fee - Verizon	A-12	525,000.00			526,285.49	1,285.49
Reserve for Police Outside Administrative Fees	A-12	550,000.00			550,000.00	
Capital Fund Surplus	A-12	150,000.00			150,000.00	
Reserve Note Premium	A-12	4,994.71			4,994.71	
Sewer Authority Surplus Contribution	A-12	507,000.00			507,079.00	79.00
American Rescue Plan Act Funds	A-12	1,935,000.00			1,935,000.00	
	A-1	\$ 18,746,133.66	\$	595,364.40	\$ 22,726,614.02	\$ 3,385,115.96
Receipts From Delinquent Taxes	A-1	\$ 15,000.00	\$		\$ 55,185.16	\$ 40,185.16
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes	A-2; A-9	\$ 60,821,983.15	\$		\$ 63,074,815.15	\$ 2,252,832.00
Minimum Library Tax	A-2; A-9	4,588,444.00			4,588,444.00	
		65,410,427.15			67,663,259.15	2,252,832.00
<b>BUDGET TOTALS</b>		\$ 95,771,560.81	\$	595,364.40	\$ 102,045,058.33	\$ 5,678,133.12
Non-Budget Revenues	A-1;A-2				492,012.39	492,012.39
		\$ 95,771,560.81	\$	595,364.40	\$ 102,537,070.72	\$ 6,170,145.51
REF.	A-3		A-3			

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

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

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:			
Revenue from Collections	A-1;A-9	\$	262,632,076.17
Allocated to:			
Local School Taxes	A-23	\$	161,062,781.00
County Taxes	A-21:A-22		30,938,754.28
Municipal Open Space Taxes	A-24		<u>4,542,281.74</u>
			<u>196,543,817.02</u>
Balance for Support of Municipal Budget Appropriations		\$	66,088,259.15
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,575,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>67,663,259.15</u></u>
Other Fees and Permits:			
Clerk - Passport Fees		\$	40,985.00
Assessment Search Fees			980.00
Environmental Disturbance Fee			4,375.00
Street Opening Permits			97,692.64
Filing Fees - DPW			9,866.25
DPW - Recycling and Garbage Cans			10,000.00
Variance Fees			45,239.75
Street Vacation Fees			500.00
Planning & Zoning Board Fees			17,350.50
Miscellaneous Fees			10,157.55
Tax Collector - Miscellaneous			4,270.93
Tax Collector - Tax Sale Ad Fees			76,462.53
Health Fees			69,919.00
Registrar Fees			11,247.00
Registrar - EDRS Fees			26,502.75
Police - Gun Permit Fees			76,195.00
Police - ABC Permits			1,720.00
Police - Youth Week			1,440.10
Police Accident Reports			2,314.00
Fire Prevention Fees			96,006.00
Fire Academy User Fees			8,549.50
	A-2	\$	<u><u>570,788.50</u></u>

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

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

REF.

Miscellaneous Revenue Not Anticipated:

Senior Citizens and Veterans Administrative Fee	\$	7,751.24
Monmouth County JIF Dividend		20,907.00
Police Outside Overtime Administrative Fees		2,784.86
Hurricane Sandy		109,654.09
Forclosure		19,600.00
EMS		23,362.52
Hurricane Isaias		164,861.66
Veterans Affordable Housing		24,200.00
Lincoln Financial		3,311.90
DMV Fines		4,500.00
Sale of Assets		52,775.00
Outfront Rent		14,927.67
COVID 19		7,847.22
Miscellaneous		<u>35,529.23</u>
	A-4	\$ <u><u>492,012.39</u></u>

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>GENERAL ADMINISTRATION:</u>					
Administrative and Executive:					
Salaries and Wages	\$ 825,189.00	\$ 825,189.00	\$ 769,653.33	\$ 55,535.67	\$
Other Expenses	224,000.00	224,000.00	196,679.92	27,320.08	
Purchasing:					
Salaries and Wages	288,642.00	288,642.00	223,230.89	65,411.11	
Other Expenses	6,700.00	6,700.00	2,838.29	3,861.71	
Township Committee:					
Salaries and Wages	20,000.00	20,000.00	19,999.98	0.02	
Other Expenses	18,500.00	18,500.00	17,309.46	1,190.54	
Township Clerk:					
Salaries and Wages	439,510.00	439,510.00	408,434.30	31,075.70	
Other Expenses	108,700.00	108,700.00	82,208.82	26,491.18	
Elections:					
Salaries and Wages	6,000.00	6,000.00	6,000.00		
Other Expenses	35,000.00	35,000.00	27,455.09	7,544.91	
Financial Administration:					
Salaries and Wages	678,248.00	678,248.00	656,500.86	21,747.14	
Other Expenses	87,000.00	87,000.00	45,485.84	41,514.16	
Audit Services	103,500.00	103,500.00	97,465.00	6,035.00	
Data Processing Center:					
Salaries and Wages	507,326.00	507,326.00	490,115.39	17,210.61	
Other Expenses	591,000.00	591,000.00	500,801.36	90,198.64	
Collection of Taxes:					
Salaries and Wages	446,556.00	446,556.00	396,348.97	50,207.03	
Other Expenses	118,500.00	118,500.00	46,104.72	72,395.28	
Tax Title Liens and Foreclosed Property	30,000.00	30,000.00	7,042.00	22,958.00	
Assessment of Taxes:					
Salaries and Wages	358,335.00	358,335.00	318,928.75	39,406.25	
Other Expenses	228,500.00	228,500.00	150,413.83	78,086.17	
Maintenance of Tax Maps	20,000.00	20,000.00		20,000.00	
Legal Services and Costs:					
Other Expenses	645,000.00	645,000.00	584,108.14	60,891.86	

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



TOWNSHIP OF MIDDLETOWN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Engineering:					
Other Expenses	\$ 79,000.00	\$ 79,000.00	\$ 48,946.94	\$ 30,053.06	\$
Planning Board:					
Salaries and Wages	38,483.00	38,483.00	37,092.33	1,390.67	
Other Expenses	36,000.00	36,000.00	30,500.00	5,500.00	
Planning and Development:					
Salaries and Wages	341,436.00	341,436.00	230,329.14	111,106.86	
Other Expenses	85,700.00	85,700.00	54,827.48	30,872.52	
Special Emergency Master Plan		175,000.00	155,000.00	20,000.00	
Zoning Board of Adjustment:					
Salaries and Wages	38,483.00	38,483.00	37,631.53	851.47	
Other Expenses	33,000.00	33,000.00	21,000.00	12,000.00	
Insurance:					
General Liability	1,104,318.00	1,104,318.00	1,036,344.70	67,973.30	
Workers Compensation Insurance	847,199.00	847,199.00	794,699.00	52,500.00	
Employees Group Health	8,915,000.00	8,915,000.00	8,913,467.79	1,532.21	
<u>PUBLIC SAFETY:</u>					
Police:					
Salaries and Wages	14,232,510.00	14,152,510.00	13,612,897.15	539,612.85	
Salaries and Wages - American Rescue Plan	1,935,000.00	1,935,000.00	1,935,000.00		
Other Expenses	617,500.00	697,500.00	608,356.71	89,143.29	
Emergency Management:					
Salaries and Wages	46,240.00	46,240.00	36,852.37	9,387.63	
Other Expenses	40,200.00	40,200.00	34,468.89	5,731.11	
First Aid:					
Salaries and Wages	9,000.00	9,000.00	8,999.64	0.36	
Other Expenses	97,900.00	97,900.00	62,064.33	35,835.67	
Subsidy to First Aid Companies	200,000.00	200,000.00	200,000.00		

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Fire:					
Subsidy to Volunteer Fire Company	\$ 247,500.00	\$ 247,500.00	\$ 247,500.00	\$	\$
Salaries and Wages	80,375.00	80,375.00	73,141.23	7,233.77	
Other Expenses	530,500.00	530,500.00	500,683.58	29,816.42	
Fire Hydrant Service	980,000.00	1,015,000.00	980,000.00	35,000.00	
Uniform Fire Safety Bureau:					
Salaries and Wages	190,702.00	190,702.00	176,558.46	14,143.54	
Other Expenses	20,000.00	20,000.00	17,851.73	2,148.27	
Uniform Fire Safety Act (Ch. 383, PL1983)	90,000.00	90,000.00	90,000.00		
Prosecutor:					
Salaries and Wages	77,625.00	77,625.00	75,000.12	2,624.88	
Other Expenses	10,000.00	10,000.00	3,000.00	7,000.00	
<u>DEPARTMENT OF PUBLIC WORKS AND ENGINEERING:</u>					
Public Works					
Salaries and Wages	1,769,604.00	1,769,604.00	1,530,858.48	238,745.52	
Other Expenses	1,248,100.00	1,088,490.00	1,081,539.30	6,950.70	
Storm Response					
Salaries and Wages	50,000.00	50,000.00	30,080.62	19,919.38	
Other Expenses	325,500.00	325,500.00	235,761.78	89,738.22	
Parks:					
Salaries and Wages	1,265,175.00	1,265,175.00	1,155,536.00	109,639.00	
Other Expenses	438,000.00	438,000.00	415,782.83	22,217.17	
Beach Maintenance	20,000.00	20,000.00	6,120.95	13,879.05	
DPW Administration:					
Salaries and Wages	761,627.00	761,627.00	643,267.80	118,359.20	
Other Expenses	95,500.00	95,500.00	74,134.86	21,365.14	
Solid Waste and Recycling:					
Salaries and Wages	890,924.00	890,924.00	705,363.58	185,560.42	
Other Expenses	10,164,000.00	10,103,095.00	9,914,839.09	188,255.91	
Maintenance of Public Property:					
Salaries and Wages	936,625.00	936,625.00	739,132.32	197,492.68	
Other Expenses	437,000.00	437,000.00	402,733.63	34,266.37	

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Fleet Maintenance:					
Salaries and Wages	\$ 737,633.00	\$ 737,633.00	\$ 686,401.75	\$ 51,231.25	\$
Other Expenses	1,045,500.00	1,071,405.00	1,056,838.32	14,566.68	
Condominium Maintenance:					
Other Expenses	175,000.00	175,000.00	94,699.20	80,300.80	
<u>HEALTH AND HUMAN SERVICES</u>					
Health and Welfare:					
Salaries and Wages	360,249.00	354,249.00	340,087.92	14,161.08	
Other Expenses	45,000.00	45,000.00	12,032.64	32,967.36	
Alliance:					
Salaries and Wages	92,303.00	98,303.00	93,390.86	4,912.14	
Other Expenses	22,500.00	22,500.00	20,764.39	1,735.61	
Animal Control:					
Salaries and Wages	141,260.00	141,260.00	138,308.11	2,951.89	
Other Expenses	77,000.00	77,000.00	54,000.22	22,999.78	
<u>RECREATION:</u>					
Recreation:					
Salaries and Wages	610,054.00	610,054.00	565,371.96	44,682.04	
Other Expenses	73,000.00	73,000.00	66,765.25	6,234.75	
<u>OTHER COMMON OPERATING FUNCTIONS:</u>					
Railroad Parking Lot Lease	25,000.00	25,000.00		25,000.00	
Employee Accumulated Leave	90,000.00	90,000.00	90,000.00		
Sick Time Buy Back	205,000.00	205,000.00	155,944.19	49,055.81	
<u>UTILITIES:</u>					
Electric	562,000.00	562,000.00	557,000.00	5,000.00	
Street Lighting	710,000.00	710,000.00	710,000.00		
Telephone	635,000.00	635,000.00	493,131.76	141,868.24	
Water	250,000.00	260,000.00	260,000.00		
Natural Gas	260,000.00	250,000.00	209,431.94	40,568.06	
Heating Oil	25,000.00	25,000.00	22,547.28	2,452.72	
Sewage Processing and Disposal	16,500.00	16,500.00	14,120.00	2,380.00	
Fuel	695,000.00	854,610.00	843,975.28	10,634.72	

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
STATE UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	\$ 1,644,701.00	\$ 1,644,701.00	\$ 1,450,628.22	\$ 194,072.78	\$
Other Expenses	28,500.00	28,500.00	20,408.37	8,091.63	
Municipal Court:					
Salaries and Wages	559,384.00	559,384.00	519,408.78	39,975.22	
Other Expenses	39,500.00	39,500.00	22,761.11	16,738.89	
Public Defender:					
Salaries and Wages	31,050.00	31,050.00	27,856.02	3,193.98	
	<u>\$ 64,268,066.00</u>	<u>\$ 64,443,066.00</u>	<u>\$ 60,530,362.87</u>	<u>\$ 3,912,703.13</u>	<u>\$</u>
<u>CONTINGENT</u>	<u>20,000.00</u>	<u>20,000.00</u>			<u>20,000.00</u>
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 64,288,066.00</u>	<u>\$ 64,463,066.00</u>	<u>\$ 60,530,362.87</u>	<u>\$ 3,912,703.13</u>	<u>\$ 20,000.00</u>
DEFERRED CHARGES AND STATUTORY					
<u>EXPENDITURES MUNICIPAL-WITHIN "CAPS"</u>					
DEFERRED CHARGES:					
Prior Year Bill - Laurel Greene Condominium (2020)	\$ 44.00	\$ 44.00	\$ 44.00	\$	\$
Prior Year Bill - RK Occupational & Envir (2020)	1,756.25	1,756.25	1,756.25		
Prior Year Bill - Siemens (2020)	2,951.00	2,951.00	2,951.00		
Prior Year Bill - Najarian Associates(2020)	3,100.00	3,100.00	3,095.75		4.25
Prior Year Bill - T&M Associates (2021)	4,105.50	4,105.50	4,105.50		
Prior Year Bill JCP&L(2022)	80,156.79	80,156.79	80,156.79		
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees Retirement System (P.E.R.S.)	1,789,820.00	1,789,820.00	1,789,665.66	154.34	
Social Security System (O.A.S.I.)	1,336,675.00	1,336,675.00	1,322,514.67	14,160.33	
Police and Firemen's Retire System of N.J.	4,766,322.00	4,766,322.00	4,766,321.29	0.71	
Defined Contribution Retirement Program(DCRP)	<u>70,500.00</u>	<u>70,500.00</u>	<u>57,936.00</u>	<u>12,564.00</u>	
<u>TOTAL DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 8,055,430.54</u>	<u>\$ 8,055,430.54</u>	<u>\$ 8,028,546.91</u>	<u>\$ 26,879.38</u>	<u>\$ 4.25</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR</u>					
<u>MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 72,343,496.54</u>	<u>\$ 72,518,496.54</u>	<u>\$ 68,558,909.78</u>	<u>\$ 3,939,582.51</u>	<u>\$ 20,004.25</u>

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>OPERATIONS- EXCLUDED FROM "CAPS":</u>					
Employee Group Insurance	\$ 1,135,000.00	\$ 1,135,000.00	\$ 1,135,000.00	\$	\$
Maintenance of Free Public Library- O/E- S/W	4,588,444.00	4,588,444.00	4,185,753.76	402,690.24	
LOSAP: Volunteer Deferred Compensation	325,000.00	325,000.00	325,000.00		
Refund of Tax Appeal	75,000.00	75,000.00	75,000.00		
<u>TOTAL OPERATIONS- EXCLUDED FROM "CAPS":</u>	<u>\$ 6,123,444.00</u>	<u>\$ 6,123,444.00</u>	<u>\$ 5,720,753.76</u>	<u>\$ 402,690.24</u>	<u>\$</u>
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</u>					
Middletown Board of Education Fuel Solid waste Recycling	\$ 255,000.00	\$ 255,000.00	\$ 255,000.00	\$	\$
Township of Middletown Schools Board of Education	1,386,000.00	1,386,000.00	956,263.76	429,736.24	
Monmouth County Shuttle Bus	24,500.00	24,500.00	23,915.00	585.00	
Monmouth Regional Health Services	120,000.00	120,000.00	120,000.00		
Fair Haven CFO	60,000.00	60,000.00	60,000.00		
Millstone Tax Assessor (40A:4-87 +35,566.00)		35,566.00	13,244.93	22,321.07	
Fair Haven Tax Collector	18,000.00	18,000.00	18,000.00		
Monmouth County Dispatch Services	524,964.00	524,964.00	524,964.00		
Boro of Highlands Bldg. Dept.	192,500.00	192,500.00	192,500.00		
Monmouth County CRS Project Management Software	6,200.00	6,200.00		6,200.00	
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>	<u>\$ 2,587,164.00</u>	<u>\$ 2,622,730.00</u>	<u>\$ 2,163,887.69</u>	<u>\$ 458,842.31</u>	<u>\$</u>
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFFSET BY REVENUES:</u>					
Municipal Alliance Grant (40A:4-87 +6,670.00)	\$ 25,852.50	\$ 32,522.50	\$ 32,522.50	\$	\$
Municipal Alliance DEDR Municipal Match	8,617.50	8,617.50	8,617.50		
Emergency Management Assistance (40A:4-87 +10,000.00)		10,000.00	10,000.00		
Clean Communities Program (40A:4-87 +176,464.64)		176,464.64	176,464.64		
Police Child Passenger Safety Grant (40A:4-87 +19,600.00)		19,600.00	19,600.00		
Police - Bayshore DWI Grant (40A:4-87 +24,990.00)		24,990.00	24,990.00		

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFFSET BY REVENUES:</u>					
NJ Child Care Hiring/Retention	\$ 5,385.00	\$ 5,385.00	\$ 5,385.00	\$	\$
Spotted Lanternfly (40A:4-87 +15,000.00)		15,000.00	15,000.00		
NJ Human Services Stabilization Grant (40A:4-87 +15,000.00)		15,000.00	15,000.00		
DDEF (40A:4-87 +70,896.75.00)		70,896.75	70,896.75		
Click It Or Ticket (40A:4-87 +7,000.00)		7,000.00	7,000.00		
National Opioid Settlement (40A:4-87 +62,803.89)	48,207.62	111,011.51	111,011.51		
Stormwater Assistance (40A:4-87 +25,000.00)		25,000.00	25,000.00		
DIV on Mental Health and Addiction Services Youth Leadership Prog.	11,742.25	11,742.25	11,742.25		
CBA SLEO III (40A:4-87 +26,753.00)		26,753.00	26,753.00		
Bayshore Distracted Driving	22,000.00	22,000.00	22,000.00		
Bulletproof Vest Program (40A:4-87 +37,620.12)		37,620.12	37,620.12		
Tonya Keller Community Center Improvement Grant (40A:4-87 +62,000.00)	75,000.00	137,000.00	137,000.00		
Police Body Armor Replacement	6,516.33	6,516.33	6,516.33		
Recycling - Tonnage Grant	95,635.07	95,635.07	95,635.07		
Senior Citizen Grant	33,500.00	33,500.00	33,500.00		
Matching Funds for Grants	35,000.00	35,000.00			35,000.00
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>	<u>\$ 367,456.27</u>	<u>\$ 927,254.67</u>	<u>\$ 892,254.67</u>	<u>\$</u>	<u>\$ 35,000.00</u>
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 9,078,064.27</u>	<u>\$ 9,673,428.67</u>	<u>\$ 8,776,896.12</u>	<u>\$ 861,532.55</u>	<u>\$ 35,000.00</u>
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 2,335,000.00	\$ 2,335,000.00	\$ 2,335,000.00	\$	\$
Computer Technology Equipment	243,000.00	243,000.00	187,918.11	55,081.89	
Turnout Gear	237,000.00	237,000.00	237,000.00		
Police Vehicles	810,000.00	810,000.00	807,748.26	2,251.74	
<u>TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>	<u>\$ 3,625,000.00</u>	<u>\$ 3,625,000.00</u>	<u>\$ 3,567,666.37</u>	<u>\$ 57,333.63</u>	<u>\$</u>

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

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>MUNICIPAL DEBT SERVICE -EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 3,150,000.00	\$ 3,150,000.00	\$ 3,142,900.00		\$ 7,100.00
Payment of Bond Anticipation Notes	250,000.00	250,000.00			250,000.00
Interest on Bonds	1,600,000.00	1,600,000.00	1,568,580.36		31,419.64
Interest on Notes	100,000.00	100,000.00			100,000.00
Capital Lease (Town Hall)	3,600,000.00	3,600,000.00	3,530,708.52		69,291.48
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	<u>\$ 8,700,000.00</u>	<u>\$ 8,700,000.00</u>	<u>\$ 8,242,188.88</u>		<u>\$ 457,811.12</u>
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM"CAPS"</u>					
Emergency Authorizations	300,000.00	300,000.00	300,000.00		
<u>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM"CAPS"</u>	<u>300,000.00</u>	<u>300,000.00</u>	<u>300,000.00</u>		
<u>JUDGMENTS</u>	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 54,060.28</u>		<u>\$ 95,939.72</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 21,853,064.27</u>	<u>\$ 22,448,428.67</u>	<u>\$ 20,940,811.65</u>	<u>\$ 918,866.18</u>	<u>\$ 588,750.84</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 94,196,560.81</u>	<u>\$ 94,966,925.21</u>	<u>\$ 89,499,721.43</u>	<u>\$ 4,858,448.69</u>	<u>\$ 608,755.09</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>1,575,000.00</u>	<u>1,575,000.00</u>	<u>1,575,000.00</u>		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 95,771,560.81</u>	<u>\$ 96,541,925.21</u>	<u>\$ 91,074,721.43</u>	<u>\$ 4,858,448.69</u>	<u>\$ 608,755.09</u>
	<u>REF.</u>				
Budget	A-3	\$ 95,771,560.81			
Appropriation by 40A:4-87	A-2	595,364.40			
Special Emergency by 40A:4-53(d)	A-30	175,000.00			
		<u>\$ 96,541,925.21</u>			
Encumbrances Payable	A-15		\$ 3,969,395.83		
Reserve for Grants - Appropriated	A-26		892,254.67		
Reserve for Tax Appeals	A-20		75,000.00		
Reserve for Uncollected Taxes	A-2		1,575,000.00		
Emergency Authorization	A-30		300,000.00		
Disbursed	A-4		84,356,315.53		
Less: Refunds	A-4		(93,244.60)		
			<u>91,074,721.43</u>		

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

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TRUST FUND

"B"

TOWNSHIP OF MIDDLETOWN

TRUST FUND

BALANCE SHEETS-REGULATORY BASIS

<u>A S S E T S</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
Animal Control Fund:			
Cash	B-1	\$ 99,152.86	\$ 86,991.11
		<u>\$ 99,152.86</u>	<u>\$ 86,991.11</u>
Other Funds:			
Cash	B-1	\$ 31,750,883.29	\$ 32,605,738.13
Investment in Special Emergency Note	B-1	175,000.00	
Community Development Block Grant Receivable	B-4	510,261.86	521,739.08
		<u>\$ 32,436,145.15</u>	<u>\$ 33,127,477.21</u>
		<u>\$ 32,535,298.01</u>	<u>\$ 33,214,468.32</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due State of New Jersey	B-2	\$ 15.60	\$ 2.40
Reserve for Animal Control Fund Expenditures	B-3	99,137.26	86,988.71
		<u>\$ 99,152.86</u>	<u>\$ 86,991.11</u>
Other Funds:			
Encumbrances Payable	B-10	\$ 1,306,496.09	\$ 2,770,673.64
Interfund - General Capital Fund	B-6		70,000.00
Miscellaneous Deposits	B-5	23,301,726.61	25,133,852.71
Open Space Trust	B-6	6,265,962.26	4,097,014.03
Community Development Block Grant	B-7	536,963.20	531,307.52
Self-Insurance Fund	B-8	723,999.65	262,832.20
Payroll Fund	B-9	300,997.34	261,797.11
		<u>\$ 32,436,145.15</u>	<u>\$ 33,127,477.21</u>
		<u>\$ 32,535,298.01</u>	<u>\$ 33,214,468.32</u>

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 7,275,111.15	\$ 13,395,919.41
Grants Receivable	C-4	5,568,431.25	2,709,085.99
Deferred Charges to Future Taxation:			
Funded	C-5	37,918,318.36	42,459,967.58
Unfunded	C-6	19,333,556.90	7,962,598.90
Interfund - Open Space Trust Fund	C-2		70,000.00
Deferred Capital Lease Obligation	MEMO	<u>87,851,988.36</u>	<u>91,382,696.88</u>
		\$ <u><u>157,947,406.02</u></u>	\$ <u><u>157,980,268.76</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-8	\$ 6,317,268.44	\$ 5,752,226.87
Unfunded	C-8	14,520,589.73	4,977,684.33
Serial Bonds Payable	C-9	37,730,000.00	42,190,000.00
Green Acres Loan Payable	C-10	188,318.36	269,967.58
Various Reserves	C-11	533,974.31	341,551.13
Reserve for Grants Receivable	MEMO	3,663,933.49	1,130,583.49
Capital Lease Payable	MEMO	87,851,988.36	91,382,696.88
Capital Improvement Fund	C-12	911,594.17	1,512,237.00
Contracts Payable	C-7	5,182,375.34	9,813,121.59
Fund Balance	C-1	<u>1,047,363.82</u>	<u>610,199.89</u>
		\$ <u><u>157,947,406.02</u></u>	\$ <u><u>157,980,268.76</u></u>

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

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 610,199.89
Increased by:		
Improvement Authorization Cancelled	C-8	<u>587,163.93</u>
		\$ <u>1,197,363.82</u>
Decreased by:		
Anticipated in 2023 Current Fund Budget	C-2	<u>150,000.00</u>
Balance, December 31, 2023	C	\$ <u><u>1,047,363.82</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

"D"

TOWNSHIP OF MIDDLETOWN

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEET-REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2022</u>
<u>FIXED ASSETS</u>		
Land and Buildings	\$ 77,984,000.00	\$ 77,984,000.00
Machinery and Equipment	<u>37,586,346.00</u>	<u>34,476,625.96</u>
<u>TOTAL FIXED ASSETS</u>	\$ <u>115,570,346.00</u>	\$ <u>112,460,625.96</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	\$ <u>115,570,346.00</u>	\$ <u>112,460,625.96</u>

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



NOTES TO FINANCIAL STATEMENTS

## TOWNSHIP OF MIDDLETOWN

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

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Township of Middletown 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 Middletown include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Middletown, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Middletown do not include the operations of the local school district, the Middletown Sewerage Authority and the Middletown Free Public Library, 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 Middletown 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 Middletown 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 disbursements 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

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

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. 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 and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Interfunds - Interfunds 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 5:30-5.7, 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 property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories 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 (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year.

If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

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

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

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

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

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 (CONTINUED)

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.

Recently Adopted Accounting Pronouncements

Beginning with the year ended December 31, 2023, the Township implemented GASB Statement 96, Subscription-Based Information Technology Arrangements (SBITAs). GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, 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 public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). 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.

Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department.

When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

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

<u>Fund</u>	Cash in	<u>Reconciling Items</u>		Change	<u>Total</u>
	<u>Bank</u>	<u>Increases</u>	<u>Decreases</u>	<u>Funds</u>	
Checking Accounts	\$100,577,636.37	\$196,328.84	\$3,187,153.09		\$97,586,812.12
Change Funds				\$3,100.00	3,100.00
	<u>\$100,577,636.37</u>	<u>\$196,328.84</u>	<u>\$3,187,153.09</u>	<u>\$3,100.00</u>	<u>\$97,589,912.12</u>



NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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. However, GUDPA does not protect intermingled trust funds such as salary withholdings, or funds that may pass to the Township relative to the happening of a future condition.

As of December 31, 2023, the Township's bank balance of \$100,577,636.37 was insured or collateralized as follows:

Insured under FDIC and GUDPA		\$78,882,071.95
Uninsured:		
NJ Assets and Rebate Management	\$20,964,580.94	
Escrow Deposits	<u>730,983.48</u>	
		<u>21,695,564.42</u>
Bank Balance 12/31/2023		<u><u>\$100,577,636.37</u></u>

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;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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;

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

7. 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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

At December 31, 2023 the Township had the following investments:

New Jersey Asset and Rebate Management Program	\$20,964,580.94
Investment in Special Emergency Notes	<u>175,000.00</u>
Total Investments	<u>\$21,139,580.94</u>

The amount on deposit with the New Jersey Asset and Rebate Management Program (NJARM). Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Advisor of the NJARM, 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.

The Special Emergency Note is held in the Trust Other fund. The investment was made on December 18, 2023 and matures on December 17, 2024. The investment was issued at 0% interest. The fair value of this investments at December 31, 2023 is equal to cost. The investment does not trade in the open market and has not been rated by a nationally recognized rating agency.

The Township of Middletown's investment activities during the year were in accordance with the above New Jersey Statute.

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 regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT  
OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2023</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$37,918,318.36	\$42,459,967.58	\$38,984,007.99
Net Debt Issued	\$37,918,318.36	\$42,459,967.58	\$38,984,007.99
Less Open Space Bonds (40A:2-44h)	7,041,300.00	8,358,400.00	7,138,815.00
Less: Cash on Hands to Pay Notes	345,847.47	233,212.99	166,244.71
	<u>\$30,531,170.89</u>	<u>\$33,868,354.59</u>	<u>\$31,678,948.28</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	\$19,333,556.90	\$7,962,598.90	\$9,098,873.90
Total Authorized But Not Issued	\$19,333,556.90	\$7,962,598.90	\$9,098,873.90
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$49,864,727.79</u>	<u>\$41,830,953.49</u>	<u>\$40,777,822.18</u>

SUMMARY OF REGULATORY 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 regulatory net debt of .361%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
School District Debt	\$26,770,000.00	\$26,770,000.00	-0-
General Debt	57,251,875.26	7,387,147.47	\$49,864,727.79
	<u>\$84,021,875.26</u>	<u>\$34,157,147.47</u>	<u>\$49,864,727.79</u>

NET DEBT \$49,864,727.79 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$13,794,342,819.33 EQUALS .361%

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

Equalized Valuation Basis* - December 31, 2023	\$13,794,342,819.33
3-1/2 of Equalized Valuation Basis	482,801,998.68
Net Debt	<u>49,864,727.79</u>
Remaining Borrowing Power	<u>\$432,937,270.89</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 for the last three (3) preceding years.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

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

CALENDAR	<u>GENERAL IMPROVEMENT BONDS</u>		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2024	\$3,470,000.00	\$1,718,200.00	\$5,188,200.00
2025	2,755,000.00	1,545,275.00	4,300,275.00
2026	2,865,000.00	1,409,875.00	4,274,875.00
2027	3,020,000.00	1,266,600.00	4,286,600.00
2028	3,180,000.00	1,112,975.00	4,292,975.00
2029-2033	16,575,000.00	3,054,450.00	19,629,450.00
2034-2038	5,130,000.00	523,800.00	5,653,800.00
2039-2042	<u>735,000.00</u>	<u>74,600.00</u>	<u>809,600.00</u>
	<u>\$37,730,000.00</u>	<u>\$10,705,775.00</u>	<u>\$48,435,775.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The General Capital Bonds are comprised of the following issues:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2023</u>
\$16,145,000.00 in Governmental Pooled Loan Refunding Revenue Bonds dated May 22, 2012, due in one remaining annual installment of \$575,000.00 due December 1, 2024 with interest at 5.000%.	\$575,000.00
\$2,505,000.00 in Governmental Pooled Loan Refunding Revenue Bonds dated October 5, 2016 due in one remaining annual installment of \$530,000.00 due August 1, 2024 with interest at 4.000%.	530,000.00
\$19,935,000.00 in Governmental Pooled Loan Revenue Bonds dated February 23, 2017 due in remaining annual installments ranging between \$1,000,000.00 and \$1,840,000.00 beginning February 15, 2024 and ending February 15, 2032 with an interest rate of 5.00%	13,850,000.00
\$8,135,000.00 in Governmental Pooled Loan Revenue Bonds dated December 23, 2019 due in remaining annual installments ranging between \$400,000.00 and \$800,000.00 beginning June 30, 2024 and ending June 30, 2035 with interest ranging from 4.00% to 5.00%	6,535,000.00
\$8,905,000.00 in Governmental Pooled Loan Revenue Bonds dated July 8, 2021 due in remaining annual installments ranging between \$430,000.00 and \$705,000.00 beginning March 1, 2024 and ending March 1, 2038 with interest ranging from 2.00% to 5.00%	8,120,000.00
8,630,000 Pooled Loan Revenue Bonds dated October 4, 2022 due in remaining annual installments ranging between \$535,000.00 and \$815,000.00 beginning October 1, 2024 and ending October 1, 2042 with interest ranging from 4.00% to 5.00%.	<u>8,120,000.00</u>
Total	<u><u>\$ 37,730,000.00</u></u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

STATE OF NEW JERSEY GREEN TRUST LOANS

The Township has entered into the following State of New Jersey Green Trust Loans:

<u>Year</u>	<u>Loan Number</u>	<u>Loan Amount</u>
2005	1331-90-046	\$200,000.00
2005	1331-92-119	393,340.48
2005	1331-95-074	500,000.00
2008	1331-93-032	300,000.00

These loans require semi-annual installments that include interest at 2%

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

<u>GREEN TRUST LOANS</u>			
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2024	\$83,290.36	\$3,351.98	\$86,642.34
2025	50,970.81	1,677.85	52,648.66
2026	17,661.69	993.27	18,654.96
2027	18,016.68	638.27	18,654.95
2028	18,378.82	276.14	18,654.96
	<u>\$188,318.36</u>	<u>\$6,937.51</u>	<u>\$195,255.87</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

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

General Capital Fund	<u>\$19,333,556.90</u>
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SHORT TERM DEBT

At December 31, 2023, the Township had no Bond Anticipation Notes outstanding.

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2023, which was appropriated and included as anticipated revenue for the year ending December 31, 2024 were as follows:

Current Fund	<u>\$12,400,000.00</u>
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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 <u>31, 2023</u>	Balance December <u>31, 2022</u>
Prepaid Taxes	<u>\$1,484,421.94</u>	<u>\$1,441,105.65</u>

NOTE 6: PENSION PLANS

Plan Descriptions

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



NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

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.

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.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2020 PERS, provides for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2023, members contributed at a uniform rate of 10.00% of base salary.

The Township's share of pension costs, which is based upon the annual billings received from the State for the preceding three years are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Public Employees</u> <u>Retirement System</u>	<u>Police &amp; Firemen's</u> <u>Retirement System</u>	<u>Defined Contribution</u> <u>Retirement System</u>	<u>Total</u>
2023	\$1,892,475.00	\$4,452,728.00	\$72,436.00	\$6,417,639.00
2022	1,692,370.00	4,109,980.00	75,300.00	5,877,650.00
2021	1,708,693.00	4,123,069.00	69,526.00	5,901,288.00

NOTE 6: PENSION PLANS (CONTINUED)

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2011, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2011. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Pension deferral activity for 2023 is as follows:

<u>Retirement System</u>	<u>Original Amount Deferred</u>	<u>2023 Payments</u>	
		<u>Principal</u>	<u>Interest</u>
PFRS	\$ 1,080,551.00	\$ 125,320.00	39,054.00
PERS	<u>455,410.00</u>	<u>54,457.00</u>	<u>16,925.00</u>
Total	\$ <u>1,535,961.00</u>	\$ <u>179,777.00</u>	<u>55,979.00</u>

The amount of the actuarially computed value balance outstanding at December 31, 2023 is not available from the State Retirement System and is therefore not presented.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

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

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

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$23,672,921.00 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 0.1568638914 percent, which was an increase of 0.0053719248 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 \$1,763,498.00 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 \$1,744,147.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

		<u>Deferred Outflow of Resources</u>		<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$	170,860.00	\$	150,674.00
Changes of assumptions		73,346.00		3,544,773.00
Net difference between projected and actual earnings on pension plan investments		979,801.00		
Changes in proportion and differences between Township contributions and proportionate share of contributions		<u>948,785.00</u>		<u>578,995.00</u>
	\$	<u>2,172,792.00</u>	\$	<u>4,274,442.00</u>

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2023	(\$1,956,682.00)
2024	(960,585.00)
2025	(430,568.00)
2026	1,174,643.00
2027	<u>71,542.00</u>
	<u>(\$2,101,650.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

Discount Rate

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

NOTE 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 collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$30,412,769.00	\$23,672,921.00	\$17,937,039.00

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)

Special Funding Situation (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 0.1574905874%, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$49,809.00.

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 \$40,394,308.00 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 0.3529010200 percent, which was a decrease of 0.0117684900 percent from its proportion measure as of 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)

For the year ended June 30, 2022, the State recognized an actuarially determined pension expense of \$594,360.00. The pension expense recognized in the Township's financial statements based on the April 1, 2022, billing was \$4,250,093.00.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 1,828,354.00	\$ 2,474,701.00
Changes of assumptions	110,705.00	5,084,845.00
Net difference between projected and actual earnings on pension plan investments	3,698,932.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,778,134.00</u>	<u>1,474,722.00</u>
	\$ <u>7,416,125.00</u>	\$ <u>9,034,268.00</u>

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

Year Ended June 30	Amount
2023	\$ (1,959,677.60)
2024	(1,230,453.60)
2025	(1,169,267.60)
2026	2,629,856.40
2027	85,442.40
Thereafter	<u>25,957.00</u>
	\$ <u>(1,618,143.00)</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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2022, 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	\$55,425,353.00	\$40,394,308.00	\$27,880,890.00

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 0.3529011000% and 0.3646695823% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2022 and 2021 was \$894,996.00 and \$651,216.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was \$829,421.00 and \$834,892.00, 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 \$7,189,003.00 and \$7,496,502.00, 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	\$40,394,308.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>7,189,003.00</u>
	<u>\$47,583,311.00</u>

Pension plan fiduciary net position

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

NOTE 7: LITIGATION

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

NOTE 8: SCHOOL TAXES

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

	LOCAL DISTRICT SCHOOL TAX	
	BALANCE	BALANCE
	DECEMBER	DECEMBER
	<u>31, 2023</u>	<u>31, 2022</u>
Balance of Tax	\$77,291,041.98	\$75,793,775.98
Deferred	<u>61,820,000.00</u>	<u>61,820,000.00</u>
Tax Payable	<u>\$15,471,041.98</u>	<u>\$13,973,775.98</u>

NOTE 9: COMPENSATED ABSENCES

Under the existing policy of the Township, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken s time off or paid at a later date as outlined in Township personnel policies. It is estimated that, at December 31, 2023, the current cost of such unpaid compensation would approximate \$6,927,000. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The Township has accumulated \$1,880,842.75 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2023 and prior. Any reduction in assessed valuation will result in a refund of prior year's 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 Township has made provision, from tax revenues, in the amount of \$2,158,418.39 for these appeals in the event that the tax reductions are granted.

NOTE 11: CONTINGENT LIABILITIES

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

NOTE 12: RISK MANAGEMENT

The Township utilizes a self-insured risk management program for claims relating to General, automobile, employee benefits and law enforcement liability. The Township has obtained reinsurance coverage and umbrella coverage which limited the Township risk retention to \$200,000 per occurrence and an aggregate limit of \$10,000,000. The Township is also self-insured for Workers Compensation claims. The employer's liability coverage is \$7,000,000.00 with risk retention of \$200,000.00 through the Municipal Excess Liability Fund (MEL) and \$200,000.00 through the Monmouth County Joint Insurance Fund (JIF) The Township has engaged an outside claims service to serve as Fund Administrator. Reserves are established by the Administrator for estimated benefits and expenses for reported claims. The Township charges to current fund operations all claims rendered during the year which will be paid from expendable available financial resources.

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

<u>Year</u>	<u>Interest</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$23,475.77	\$140,332.63	\$52,690.61	\$102,093.86	\$989,710.70
2022	5,991.36	141,519.68	47,704.81	72,086.49	875,305.55
2021	1,676.76	65,424.27	43,068.12	0.00	752,176.19



NOTE 13: DEFERRED CHARGES:

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the Township had the following Deferred Charges:

	BALANCE DECEMBER <u>2023</u>	2024 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:			
Special Emergency			
N.J.S.A. 40A: 4-53(d)	<u>\$175,000.00</u>	<u>\$35,000.00</u> A	<u>\$140,000.00</u>
	<u><u>\$175,000.00</u></u>	<u><u>\$35,000.00</u></u>	<u><u>\$140,000.00</u></u>

A - amount required. Budget not adopted a date of audit

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

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

	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
Current Fund	\$	\$ 205,057.40
Grant Fund	205,057.40	
	<u>\$ 205,057.40</u>	<u>\$ 205,057.40</u>

This interfund is the result of timing difference between grant expenditures and reimbursements from the granting agency. The Township makes every effort to limit the time between the expenditure of grant funds and submission for reimbursement.

NOTE 15: 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.

NOTE 15: DEFERRED COMPENSATION PLAN (CONTINUED):

All assets of the plan are held by independent administrators, Lincoln Financial Group, AXA Equitable, Nationwide Insurance and AIG-VALIC, however the Lincoln plan is the only active plan receiving contributions.

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

NOTE 16: INSTALLMENT PURCHASE CONTRACT

On February 13, 2019, the Township entered into an installment purchase contract under which the property on which the Township Municipal Complex is located was contracted to a private entity for 30 years for the amount of \$1.00. The private entity then was responsible for the demolition of the existing facilities and construction of a new Municipal Building. This new building upon completion was then to be contracted back to the Township for a term of 30 years. At the conclusion of the lease period ownership of the property and the building revert to the Township for the sum of \$1.00.

The basic term of this contract agreement is 30-year triple net contract with base rent payments commencing on the date of substantial completion of the building. Payments are to be made monthly from September 1, 2021 through August 1, 2051.

The project was completed in 2021 and contract payments began in that year. Interest on the contract will be paid at 4.1%. If after ten (10) years either Party believes it will be advantageous to refinance the loan due to the then prevailing interest rates, that party may formally request that the Parties explore the feasibility of such refinance, which request shall not be unreasonably denied. Any savings resulting from the refinancing shall be split evenly with the Tenant's savings taking the form of reduced Rent with the annual rental amount being decreased by an amount equal to one half of the decrease in the annual debt service payable by the Landlord and the balance of any additional cash flow shall be for and paid to the Landlord.

The balance of the contract payments including principal and interest at December 31, 2023 was \$87,851,988.36.

NOTE 16:     INSTALLMENT PURCHASE CONTRACT (CONTINUED)

Following are the maturities and debt schedule for the outstanding payments on the contract:

<u>YEAR</u>	<u>PAYMENTS</u>
2024	\$3,504,228.16
2025	3,477,946.48
2026	3,451,861.92
2027	3,425,972.96
2028	3,400,278.16
2029-2033	16,622,663.24
2034-2038	16,008,593.84
2039-2043	15,417,209.16
2044-2048	14,847,670.96
2049-2051	<u>7,695,563.48</u>
	<u>\$87,851,988.36</u>

NOTE 17:     LENGTH OF SERVICE AWARDS PROGRAM

On August 16, 1999, the Township of Middletown adopted an ordinance establishing a Length of Service Awards Program for the members of the Middletown Volunteer Fire Department pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of up to \$1,500.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be budgeted annually in the budget of the Township and is anticipated to be \$325,000.00 per year.

The accompanying financial statements do not include the Township's Length of Service Award Program's activities.

NOTE 18: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Township's defined benefit OPEB plan, Township of Middletown Retiree Medical Plan (the Plan), provides OPEB for all eligible employees of the Township in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary Of Benefits

The Plan provides retirees and their eligible dependents medical benefits provided that they have meet the eligibility requirement contained in the Township' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	255
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	<u>311</u>
	<u>566</u>

Contributions

The contribution requirements of the Township and Plan members are established and maybe be amended by the Township's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical, prescription drug, dental and vision coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

Net OPEB Liability

The Township's total OPEB liability of \$193,652,943.00 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

NOTE 18: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
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Salary Increases	3.0%
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Healthcare cost trend rates 8.0 percent decreasing to an ultimate rate of 5.0 percent.

Mortality rates were based on the PUB 2010 mortality table with MP-2021 projection.

The actuarial assumptions used in the December 31, 2022 valuation were based on December 31, 2022 census data.

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2022 and December 31, 2021, based on the "The S&P Municipal Bond 20-year High Grade Index", are 4.00% and 4.31%, respectively.

NOTE 18: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Changes in the Total OPEB Liability

	Net OPEB Liability
Balance at 12/31/22	\$189,254,192
Changes for the year:	
Service cost	6,003,917
Interest Cost	7,893,543
Differences between expected and actual experience	(6,741,754)
Changes in assumptions or other inputs	9,461,708
Benefit payments	(12,218,663)
Net change in OPEB Liability	<u>4,398,751</u>
Balance at 12/31/23	<u>\$193,652,943</u>

Sensitivity of the Total OPEB liability and expense to changes in the discount rate  
and healthcare cost trend rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage point higher (5.00 percent) than the current discount rate:

	December 31, 2023		
	<u>1.00% Decrease (3.00%)</u>	<u>At Discount Rate (4.00)</u>	<u>1.00% Increase (5.00%)</u>
Net OPEB Liability	\$225,892,418	\$193,652,943	\$167,920,079
GASB 75 Expense FYE 2023	15,000,000.00	13,070,870.00	11,670,000.00

NOTE 18: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates

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

	December 31, 2023		
	1.00% <u>Decrease</u> <u>(7.0% decreasing</u> <u>to 4.0%)</u>	Healthcare Cost Trend Rate <u>(8.0% decreasing</u> <u>to 5.0%)</u>	1.00% Increase <u>(9.0% decreasing</u> <u>to 6.0%)</u>
Net OPEB Liability	\$166,238,905	\$193,652,943	\$228,598,234

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

For the year ended December 31, 2023 the actuarially determined OPEB expense reflected in the MTRMP report was \$13,070,870.00. The OPEB expense recognized in the Township's financial statement based on actual billing was \$12,218,663.00

At December 31, 2022, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	\$ 17,307,542.00	\$ 38,281,466.00
Changes of assumptions	19,900,019.00	56,524,078.00
	<u>\$ 37,207,561.00</u>	<u>\$ 94,805,544.00</u>

NOTE 19: ACCELERATED TAX SALE

Chapter 99 of the Public Laws of 1997 of the State of New Jersey, effective May 12, 1997 authorizes any municipality to have an accelerated tax sale. An accelerated tax sale permits a municipality to have a tax sale when a property is in arrears after the 11th day of the 11th month of each fiscal year. In 2023, the Township had an accelerated tax sale, which resulted in a majority of delinquent taxes being sold to outside lien holders.

NOTE 20: FIXED ASSETS

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

Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
\$77,984,000.00			\$77,984,000.00
34,476,625.96	\$3,292,754.04	\$183,034.00	37,586,346.00
<u>\$112,460,625.96</u>	<u>\$3,292,754.04</u>	<u>\$183,034.00</u>	<u>\$115,570,346.00</u>

NOTE 21: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through May 21, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that the following subsequent event needed to be disclosed:

The following Capital Ordinance was approved:

<u>Date</u>	<u>Ordinance Number</u>	<u>Purpose</u>	<u>Bonds &amp; Notes Authorized</u>
4/8/2024	2024-3409	Construction of Affordable Housing for Veterans	\$ 4,000,000.00



TOWNSHIP OF MIDDLETOWN  
SUPPLEMENTARY SCHEDULES - ALL FUNDS  
YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF MIDDLETOWN  
SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>Grant Fund</u>
Balance, December 31, 2022	A	\$ 53,473,471.95	\$ 4,430,583.00
Increased by Receipts:			
Collector	A-5	\$ 263,019,266.54	\$
Miscellaneous Revenue Not Anticipated	A-2	492,012.39	
Appropriation Refunds	A-3	93,244.60	
Petty Cash	A-7	600.00	
State of New Jersey-Senior Citizens and Veterans Deductions-Chapter 20, P.L.1971	A-8	387,562.04	
Revenue Accounts Receivable	A-12	21,301,909.81	
Various Reserves	A-19	978,926.46	
Special Emergency Note Payable		175,000.00	
Grants Receivable	A-25		530,929.01
Interfunds Returned	A-28		275,931.27
Grants Unappropriated	A-29		7,858.63
		<u>286,448,521.84</u>	<u>814,718.91</u>
		\$ 339,921,993.79	\$ 5,245,301.91
Decreased by Disbursements:			
2023 Appropriations	A-3	\$ 84,356,315.53	\$
2022 Appropriation Reserves	A-13	3,513,317.40	
Petty Cash	A-7	600.00	
Interfund - Grant Fund	A-14	275,931.27	
Accounts Payable	A-16	44,509.46	
Refund of Tax Overpayments	A-18	414,626.81	
Various Reserves	A-19	247,746.90	
Appropriated Grants	A-26		845,068.91
Grants Unappropriated	A-29		1,935,000.00
County Taxes	A-21	30,820,013.41	
Due County-Added Taxes	A-22	214,991.66	
Local District School Tax	A-23	159,565,515.00	
Municipal Open Space Tax Payable	A-24	4,542,281.74	
Refund of Prior Year Revenue	A-1	27,356.59	
		<u>284,023,205.77</u>	<u>2,780,068.91</u>
Balance, December 31, 2023	A	\$ <u>55,898,788.02</u>	\$ <u>2,465,233.00</u>

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	186,141.90
Received:			
Taxes Receivable	A-9	\$	260,827,181.41
Tax Title Liens	A-10		32,222.71
Revenue Accounts Receivable	A-12		225,739.86
2024 Taxes Prepaid	A-17		1,468,748.67
Tax Overpayments	A-18		<u>376,875.79</u>
			262,930,768.44
		\$	<u>263,116,910.34</u>
Decreased by Disbursements:			
Payments to Treasurer	A-4		<u>263,019,266.54</u>
Balance, December 31, 2023	A	\$	<u><u>97,643.80</u></u>

"A-6"

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2022 and  
Balance, December 31, 2023

A

\$ 3,100.00

OFFICE

Tax Collector	\$ 1,200.00
Town Clerk	150.00
Library	25.00
Tax Assessor	25.00
Municipal Court	1,050.00
Police Department	100.00
Vital Statistics	100.00
Recreation - Poricy Gift Shop	300.00
Animal Control	100.00
Department of Public Works	<u>50.00</u>
	\$ <u>3,100.00</u>

"A-7"

SCHEDULE OF PETTY CASH FUNDS

OFFICE	RECEIVED FROM <u>TREASURER</u>	RETURNED TO <u>TREASURER</u>
Library	\$ 200.00	\$ 200.00
Public Works	200.00	200.00
Recreation	<u>200.00</u>	<u>200.00</u>
	\$ <u>600.00</u>	\$ <u>600.00</u>

REF.

A-4

A-4

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	8,770.94
Increased by:			
Senior Citizens and Veterans Deductions:			
Per Tax Duplicate		\$	380,000.00
Allowed by Collector			<u>10,250.00</u>
			390,250.00
		\$	<u>399,020.94</u>
Decreased by:			
Received From State	A-4	\$	387,562.04
Disallowed by Collector - Prior Year	A-1		3,544.88
Disallowed by Collector - Current Year			<u>3,498.44</u>
			<u>394,605.36</u>
Balance, December 31, 2023	A	\$	<u><u>4,415.58</u></u>

CALCULATION OF STATE'S SHARE OF  
2023 SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens and Veterans Deductions:		
Per Tax Duplicate		\$ 380,000.00
Allowed by Collector		<u>10,250.00</u>
		390,250.00
Less: Disallowed by Collector - Current Year		<u>3,498.44</u>
	A-9	\$ <u><u>386,751.56</u></u>

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2022	LEVY 2023	ADDED	COLLECTIONS		CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2023
				2022	2023			
2017	\$ 1,411.53			\$	\$ 1,411.53			
2020	1,687.57				1,687.57			
2021	6,306.56				6,306.56			
2022	10,011.91		3,544.88		13,556.79			
	19,417.57		3,544.88		22,962.45			
2023		261,949,604.41	1,011,119.24	1,441,105.65	261,190,970.52	301,141.65	23,644.27	3,861.56
	\$ 19,417.57	\$ 261,949,604.41	\$ 1,014,664.12	\$ 1,441,105.65	\$ 261,213,932.97	\$ 301,141.65	\$ 23,644.27	\$ 3,861.56
REF.	A			A-2:A-17	A-2		A-10	A
Collector		REF.			\$ 260,827,181.41			
Senior Citizens Deductions		A-5			386,751.56			
		A-8			\$ 261,213,932.97			
ANALYSIS OF 2023 PROPERTY TAX LEVY								
TAX YIELD								
General Purpose Tax					\$ 261,949,604.41		+	
Added Taxes					1,011,119.24			
						\$ 262,960,723.65		
TAX LEVY								
Local District School Tax (Abstract)		A-23			\$ 161,062,781.00			
Municipal Open Space Tax		A-24			4,542,281.74			
County Taxes:								
County Tax (Abstract)		A-21		\$ 30,820,013.41				
Due County for Added Taxes (54:4-63.1 et.seq.)		A-22		118,740.87				
TOTAL COUNTY TAXES						30,938,754.28		
Local Tax for Municipal Purposes (Abstract)		A-2		\$ 60,821,983.15				
Minimum Library Tax		A-2		4,588,444.00				
Add: Additional Tax Levied				1,006,479.48				
Local Tax for Municipal Purposes Levied						66,416,906.63		
						\$ 262,960,723.65		

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>			
Balance, December 31, 2022	A		\$	243,968.95
Increased by:				
Transfers From Taxes Receivable	A-9	\$	23,644.27	
Interest and Cost on Sale			<u>205.51</u>	
				<u>23,849.78</u>
			\$	<u>267,818.73</u>
Decreased by:				
Cash Receipts	A-5	\$	32,222.71	
Cancelled			<u>698.00</u>	
				<u>32,920.71</u>
Balance, December 31, 2023	A		\$	<u><u>234,898.02</u></u>

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2023	A	\$ <u>1,485,300.00</u>



TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

		BALANCE DECEMBER 31, 2022	ACCRUED IN 2023	COLLECTED BY		BALANCE DECEMBER 31, 2023
	REF.			COLLECTOR	TREASURER	
Licenses:						
Alcoholic Beverages	A-2	\$	\$ 67,389.50	\$	67,389.50	\$
Other	A-2		52,175.00		52,175.00	
Fees and Permits:			0.00			
Construction Code Official	A-2		3,199,507.00		3,199,507.00	
Other	A-2		570,788.50		570,788.50	
Fines and Costs:						
Municipal Court	A-2	20,362.31	342,600.94		340,640.00	22,323.25
Interest and Costs on Taxes	A-2		225,739.86	225,739.86		
Interest on Investments and Deposits	A-2		3,038,212.58		3,038,212.58	
Parking Meters	A-2		469,065.50		469,065.50	
Rental Income - Middletown EMS	A-2		9,001.00		9,001.00	
Field User Fees	A-2		208,252.00		208,252.00	
Chapel Hill Associates PILOT	A-2		35,840.98		35,840.98	
Edgewater Park PILOT	A-2		110,903.24		110,903.24	
Senior Citizen Housing PILOT	A-2		400,935.11		400,935.11	
Sloan Kettering PILOT	A-2		202,418.63		202,418.63	
33 Vanderbilt LLC (E&N) PILOT	A-2		10,635.33		10,635.33	
Energy Receipts Tax	A-2		6,086,717.72		6,086,717.72	
Municipal Relief Fund Aid	A-2		315,327.18		315,327.18	
Watershed Aid			7,755.00		7,755.00	
Fair Haven Tax Collector Shared Service	A-2		19,873.48		19,873.48	
Fair Haven CFO Shared Service	A-2		66,244.84		66,244.84	
Middletown Board of Education - Shared Service	A-2		361,871.23		361,871.23	
Borough of Highlands Building Department Shared			198,275.00		198,275.00	
Board of Education Security	A-2		1,211,078.87		1,211,078.87	
Millstone Tax Assessment Service	A-2		31,120.85		31,120.85	
Uniform Fire Safety Act	A-2		94,321.85		94,321.85	
Hotel Occupancy Tax	A-2		403,708.85		403,708.85	
Verizon Fios Franchise Fees	A-2		526,285.49		526,285.49	
Cable TV Franchise Fees	A-2		431,818.55		431,818.55	
Reserve for Police Outside Admin Fee	A-2		550,000.00		550,000.00	
Capital Fund - Surplus	A-2		150,000.00		150,000.00	
Capital Fund - Note Premium	A-2		4,994.71		4,994.71	
Sewage Authority Surplus Contribution	A-2		507,079.00		507,079.00	
American Rescue Plan Act Funds	A-2		1,935,000.00		1,935,000.00	
		\$ 20,362.31	\$ 21,844,937.79	\$ 225,739.86	\$ 21,617,236.99	\$ 22,323.25
	REF.	A		A-5		A
Cash Receipts	A-4			\$	21,301,909.81	
Transfer from Various Reserves	A-19				315,327.18	
				\$	21,617,236.99	

## TOWNSHIP OF MIDDLETOWN

"A-13"  
SHEET #1

## CURRENT FUND

## SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>GENERAL GOVERNMENT:</u>				
Administrative and Executive:				
Salaries and Wages	\$ 37,578.48	\$ 37,578.48	\$ 5,275.00	\$ 32,303.48
Other Expenses	44,536.41	103,793.40	13,625.40	90,168.00
Purchasing:				
Salaries and Wages	66,513.82	66,513.82		66,513.82
Other Expenses	3,339.77	3,615.74	76.35	3,539.39
Township Committee:				
Salaries and Wages	0.02	0.02		0.02
Other Expenses	1,849.34	3,204.09	1,317.00	1,887.09
Township Clerk:				
Salaries and Wages	34,498.69	34,498.69		34,498.69
Other Expenses	26,643.50	33,348.64	6,135.64	27,213.00
Elections:				
Salaries and Wages	8.46	8.46		8.46
Other Expenses	8,084.86	8,084.86		8,084.86
Financial Administration:				
Salaries and Wages	2,608.36	2,608.36		2,608.36
Other Expenses	65,878.51	66,009.95		66,009.95
Audit Services	9,500.00	10,600.00	1,100.00	9,500.00
Data Processing Center:				
Salaries and Wages	16,369.81	16,369.81		16,369.81
Other Expenses	94,595.92	195,589.60	130,146.55	65,443.05
Collection of Taxes:				
Salaries and Wages	66,118.29	66,118.29		66,118.29
Other Expenses	72,965.30	73,057.52	92.22	72,965.30
Tax Title Liens and Foreclosed Property	25,000.00	30,000.00		30,000.00
Assessment of Taxes:				
Salaries and Wages	32,643.90	32,643.90		32,643.90
Other Expenses	19,430.05	86,440.05	31,971.99	54,468.06
Maintenance of Tax Map		28,804.50	3,987.00	24,817.50
Legal Services and Costs:				
Other Expenses	2.59	195,477.40	12,089.95	183,387.45
Municipal Prosecutor:				
Salaries and Wages	2,999.86	2,999.86		2,999.86
Other Expenses	7,000.00	7,000.00		7,000.00
Engineering Service and Costs:				
Other Expenses	11,881.21	41,031.21	35,779.92	5,251.29
Planning Development				
Salaries and Wages	19,860.74	19,860.74		19,860.74
Other Expenses	6,061.04	54,121.32	31,319.96	22,801.36
Planning Board:				
Salaries and Wages	4,134.85	4,134.85		4,134.85
Other Expenses	13,000.00	24,291.20	1,623.00	22,668.20
Zoning Board of Adjustment:				
Salaries and Wages	3,126.20	3,126.20		3,126.20
Other Expenses	15,650.00	17,662.50	3,015.00	14,647.50
Building				
Salaries and Wages	163,831.12	163,831.12		163,831.12
Other Expenses	18,221.38	18,221.38		18,221.38
Insurance:				
General Liability	32,837.75	35,641.58	35,641.58	
Workers Compensation Insurance		52,500.00	52,500.00	
Employees Group Health	45,786.71	47,452.23	47,452.23	
<u>PUBLIC SAFETY:</u>				
Fire:				
Subsidy to Volunteer Fire Company	2,377.90	2,377.90		2,377.90
Salaries and Wages	14,016.27	14,016.27		14,016.27
Other Expenses:	30,138.27	182,416.86	145,567.75	36,849.11
Fire Hydrant Service		135,736.30	84,243.12	51,493.18
Uniform Fire Safety Act (Ch. 383, PL1983)				
Uniform Fire Safety Bureau:				
Salaries and Wages	10,195.71	10,195.71		10,195.71
Other Expenses	1,897.53	4,238.52	2,328.49	1,910.03
Police:				
Salaries and Wages	814,870.37	1,021,641.20	66,117.40	955,523.80
Other Expenses	320,179.39	320,179.39	193,034.32	127,145.07
Emergency Management Services:				
Salaries and Wages	8,520.42	8,520.42		8,520.42
Other Expenses	9,727.10	19,072.48	3,436.14	15,636.34

## TOWNSHIP OF MIDDLETOWN

"A-13"  
SHEET #2

## CURRENT FUND

## SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
First Aid:				
Salaies and Wages	\$ 0.36	\$ 0.36	\$	0.36
Other Expenses	26,171.95	56,061.81	19,082.08	36,979.73
Subsidy to First Aid Companies				
<u>DEPARTMENT OF PUBLIC WORKS AND ENGINEERING:</u>				
Public Works				
Salaries and Wages	115,481.17	115,481.17	71,721.18	43,759.99
Other Expenses	132,658.16	233,684.02	72,358.01	161,326.01
Snow Removal	11,561.76	162,308.25	162,308.25	
Parks:				
Salaries and Wages	195,089.26	195,089.26		195,089.26
Other Expenses	98,423.30	258,265.04	84,709.65	173,555.39
Beach Maintenance	18,332.04	34,136.70	10,815.29	23,321.41
DPW Administration:				
Salaries and Wages	80,054.08	80,054.08		80,054.08
Other Expenses	9,126.25	11,845.13	1,173.83	10,671.30
Solid Waste and Recycling:				
Salaries and Wages	237,076.11	237,076.11	3,388.51	233,687.60
Other Expenses	482,659.84	1,134,096.91	283,354.38	850,742.53
Maintenance of Public Property:				
Salaries and Wages	115,996.76	115,996.76		115,996.76
Other Expenses	94,023.56	259,236.78	98,457.47	160,779.31
Fleet Maintenance:				
Salaries and Wages	88,437.03	88,437.03		88,437.03
Other Expenses	54,365.31	212,563.61	115,880.24	96,683.37
Condo Maintenance:				
Other Expenses	35,925.32	141,948.61	106,123.37	35,825.24
<u>HEALTH AND WELFARE:</u>				
Board of Health:				
Salaries and Wages	4,334.23	4,334.23		4,334.23
Other Expenses	12,589.45	15,098.24	1,509.99	13,588.25
Alliance:				
Salaies and Wages	23,708.53	23,708.53		23,708.53
Other Expenses	4,972.50	8,902.50	1,000.00	7,902.50
Animal Control Regulation:				
Salaies and Wages	1,481.04	1,481.04		1,481.04
Other Expenses	21,195.97	36,447.27	4,953.36	31,493.91
<u>RECREATION:</u>				
Recreation Department:				
Salaries and Wages	71,484.07	71,484.07		71,484.07
Other Expenses	14,881.97	30,122.49	11,839.40	18,283.09
<u>STATE UNIFORM CONSTRUCTION CODE:</u>				
<u>Other Common Operating Functions:</u>				
Railroad Parking Lot Lease	25,000.00	25,000.00		25,000.00
Employee Accumulated Leave	14,800.46	14,800.46	14,800.46	
Sick Time Buy Back	22,079.20	22,079.20	22,079.20	
Utilities				
Electric	400.00	90,494.72	68,885.24	21,609.48
Street Lighting	4,800.00	7,678.63	762.26	6,916.37
Telephone	74,823.41	152,422.11	14,578.86	137,843.25
Water		44,395.10	28,472.31	15,922.79
Natural Gas	27,407.31	90,870.09	36,368.23	54,501.86
Heating Oil	624.32	8,216.08	5,382.78	2,833.30
Sewage Processing	80.00	5,906.91	1,295.54	4,611.37
Fuel	41,660.87	211,251.43	60,261.29	150,990.14
Municipal Court:				
Salaries and Wages	28,487.08	28,487.08		28,487.08
Other Expenses	18,699.92	19,874.30	481.72	19,392.58
Public Defender:				
Salaries and Wages	2,380.40	2,380.40		2,380.40
<u>STATUTORY EXPENDITURES:</u>				
Contribution to:				
Social Security System (O.A.S.I.)	11,794.59	11,794.59	390.78	11,403.81
State Unemployment Insurance	140,332.36	140,332.36	140,332.36	
Defined Contribution Retirement Program(DCRP)	9,700.00	13,006.84		13,006.84
Maintenance of Free Public Library				
Salaries and Wages	45,597.08	45,597.08	45,597.08	
Other Expenses	141,926.33	304,496.41	304,496.41	
LOSAP: Volunteer Deferred Compensation		325,000.00	288,300.00	36,700.00

## TOWNSHIP OF MIDDLETOWN

"A-13"  
SHEET #3

## CURRENT FUND

## SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</u>				
Middletown BOE SLEO	\$ 201,224.15	\$ 226,789.02	\$ 2,546.00	\$ 224,243.02
Monmouth County CRS Project MGMT Software	6,200.00	6,200.00		6,200.00
Monmouth County Dispatch	2,548.00	2,548.00		2,548.00
Monmouth County Shuttle Bus	670.00	6,455.00	5,460.00	995.00
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>				
Computer Technology Equipment	20,839.62	126,465.02	105,311.00	21,154.02
Tumout Gear	2,202.26	202,000.12	199,797.86	2,202.26
Police Vehicles		275,000.00	275,000.00	
	<u>4,978,787.28</u>	<u>9,242,035.77</u>	<u>3,577,150.40</u>	<u>5,664,885.37</u>
REF. A				A-1
Appropriation Reserves	\$	4,978,787.28		
Transfer from Encumbrances Payable		<u>4,263,248.49</u>		
	\$	<u>9,242,035.77</u>		
Disbursed	A-4		\$ 3,513,317.40	
Accounts Payable	A-16		<u>63,833.00</u>	
			<u>\$ 3,577,150.40</u>	

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>
Balance, December 31, 2022			
Interfunds Payable	A	\$ 471,824.09 \$	471,824.09
Increased by:			
2023 Budget Appropriations	A-3	892,254.67	892,254.67
Grants Receivable Cancelled	A-25	6,509.15	6,509.15
		\$ <u>1,370,587.91</u> \$	<u>1,370,587.91</u>
Decreased by:			
Disbursed by Current Fund	A-4	275,931.27	275,931.27
2023 Anticipated Revenue	A-25	883,637.17	883,637.17
Grant Reserves Cancelled	A-1	5,962.07	5,962.07
		\$ <u>1,165,530.51</u> \$	<u>1,165,530.51</u>
Balance, December 31, 2023			
Interfunds Payable	A	\$ <u>205,057.40</u> \$	<u>205,057.40</u>

"A-15"

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	4,263,248.49
Increased by:			
2023 Appropriations	A-3	\$	<u>3,969,395.83</u>
		\$	8,232,644.32
Decreased by:			
Transferred to Appropriation Reserves	A-13		<u>4,263,248.49</u>
Balance, December 31, 2023	A	\$	<u><u>3,969,395.83</u></u>

"A-16"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2022	A	\$	66,590.76
Increased by:			
Transferred From			
Appropriation Reserves	A-13	\$	<u>63,833.00</u>
		\$	130,423.76
Decreased by:			
Cash Disbursements	A-4	\$	44,509.46
Canceled to Operations	A-1		<u>13,866.60</u>
			<u>58,376.06</u>
Balance, December 31, 2023	A	\$	<u><u>72,047.70</u></u>

"A-17"

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	1,441,105.65
Increased by:			
Collection of 2024 Taxes	A-5	\$	1,468,748.67
Tax Overpayments Applied	A-18		<u>15,673.27</u>
			1,484,421.94
		\$	<u>2,925,527.59</u>
Decreased by:			
Applied to 2023 Taxes	A-9		<u>1,441,105.65</u>
Balance, December 31, 2023	A	\$	<u><u>1,484,421.94</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2022	A	\$	17,419.24
Increased by:			
Overpayments in 2023	A-5	\$	376,875.79
Charges to Reserve for Tax Appeals	A-20		<u>47,244.37</u>
			424,120.16
		\$	<u>441,539.40</u>
Decreased by:			
Refunds	A-4	\$	414,626.81
Applied to Prepaid Taxes	A-17		<u>15,673.27</u>
			430,300.08
Balance, December 31, 2023	A	\$	<u><u>11,239.32</u></u>

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

<u>PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>INCREASED</u>	<u>EXPENDED</u>	<u>REALIZED</u> <u>AS</u> <u>AS REVENUE</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
Library Reserves	\$ 372,968.88	\$ 282,861.46	\$ 244,751.90	\$	\$ 411,078.44
Due State - Marriage Licenses	5.00	3,995.00	2,415.00		1,585.00
Sale of Assets	167,531.00				167,531.00
Municipal Relief Fund	315,327.18	630,520.32		315,327.18	630,520.32
Due Atlantic Highlands - Field User Fees	580.00	1,335.00	580.00		1,335.00
Reserve for Hurricane Sandy		60,214.68			60,214.68
	<u>\$ 856,412.06</u>	<u>\$ 978,926.46</u>	<u>\$ 247,746.90</u>	<u>\$ 315,327.18</u>	<u>\$ 1,272,264.44</u>
<u>REF.</u>	A	A-4	A-4	A-12	A



TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF TAX APPEALS

REF.

Balance, December 31, 2022	A	\$	2,130,662.76
Increased by:			
Transferred from 2023 Appropriations	A-3		75,000.00
		\$	<u>2,205,662.76</u>
Decreased by:			
Transfer to Overpayments	A-18		<u>47,244.37</u>
Balance, December 31, 2023	A	\$	<u><u>2,158,418.39</u></u>

"A-21"

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

LEVY:		
2023	A-1:A-9	\$ 30,820,013.41
Decreased by:		
Payment	A-4	\$ <u>30,820,013.41</u>

"A-22"

SCHEDULE OF DUE COUNTY FOR ADDED TAXES

Balance, December 31, 2022	A	\$ 214,991.66
Increased by:		
Added Taxes (R.S.54:4-63.1 et.seq.)		
2023	A-1:A-9	<u>118,740.87</u>
		\$ <u>333,732.53</u>
Decreased by:		
Cash Disbursements	A-4	<u>214,991.66</u>
Balance, December 31, 2023	A	\$ <u><u>118,740.87</u></u>

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

REF.

Balance, December 31, 2022			
Deferred		\$ 61,820,000.00	
Payable	A	<u>13,973,775.98</u>	
			75,793,775.98
Increased by:			
Levy	A-2:A-9		<u>161,062,781.00</u>
			\$ 236,856,556.98
Decreased by:			
Disbursements	A-4		<u>159,565,515.00</u>
Balance, December 31, 2023			\$ <u>77,291,041.98</u>
Analysis of Balance			
Payable	A	\$ 15,471,041.98	
Deferred		<u>61,820,000.00</u>	
			\$ <u>77,291,041.98</u>
2023 Liability for Local District School Tax:			
Tax Paid			\$ 159,565,515.00
Less: School Tax Payable, December 31, 2022			<u>13,973,775.98</u>
			\$ 145,591,739.02
Add: School Tax Payable, December 31, 2023			<u>15,471,041.98</u>
Amount Charged to Operations	A-1		\$ <u>161,062,781.00</u>

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

	<u>REF.</u>		
Balance December 31, 2022	A		\$
Increased by:			
Levy		\$ 4,524,903.24	
Added Taxes		<u>17,378.50</u>	
	A-1:A-9		<u>4,542,281.74</u>
			\$ <u>4,542,281.74</u>
Decreased by:			
Cash Disbursements	A-4		\$ <u>4,542,281.74</u>
Balance December 31, 2023	A		\$ <u><u>-</u></u>

TOWNSHIP OF MIDDLETOWN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>ANTICIPATED IN 2023 BUDGET</u>	<u>RECEIVED</u>	<u>UNAPPROPRIATED APPLIED</u>	<u>CANCELLED</u>	<u>BALANCE DECEMBER 31, 2023</u>
Federal Grants:						
Hazard Mitigation - Port Monmouth	\$ 153,000.00	\$	\$	\$	\$	153,000.00
Senior Citizens Grant Title III B 2022	33,500.00		27,531.00		5,969.00	
Police - Body Armor Replacement Fund		6,516.33		6,516.33		
Bulletproof Vest Patrick Leahy		37,620.12				37,620.12
Police - Distracted Driving		22,000.00	21,840.00		160.00	
Bayshore Dwl Saturation Patrol Grant	28,000.00		27,720.00		280.00	
Bayshore DWI Saturation Patrol		24,990.00				24,990.00
Child Passenger Safety 2022	19,250.00		19,250.00			
Child Passenger Seat Program 2023		19,600.00				19,600.00
Click It or Ticket		7,000.00	7,000.00			
Emergency Management		10,000.00	10,000.00			
Senior Center Grant		33,500.00				33,500.00
State Grants						
NJ Human Services Stabilization Grant	10,000.00		10,000.00			
ROID Grant - 2019	20,000.00					20,000.00
Historic Preservation Grant Dempsey Pump House	15,000.00					15,000.00
Stormwater Assistance		25,000.00	15,000.00			10,000.00
Clean Communitis FY23		176,464.64	176,464.64			
Recycling Tonnage Grant		95,635.07	95,635.07			
Municipal Alliance - DEDR Grant - 2022	22,629.50	6,670.00	21,144.40			8,155.10
Municipal Alliance DEDR Grant		25,852.50				25,852.50
NJ Child Care Hiring/Retention		5,385.00	5,385.00			
Youth Leadership Program	11,742.25		8,814.68			2,927.57
DMAS Youth Leadership - 2023		11,742.25				11,742.25
Spotted Lantern Fly		15,000.00				15,000.00
NJ ARP Stabilization		15,000.00	15,000.00			
Drunk Driving Enforcement		70,896.75				70,896.75
Other Grants:						
Open Space Steward Project at Poricy Park	500.00		399.85		100.15	
CBA SLEO III		26,753.00				26,753.00
Tonya Keller Community Center Improvement Grant		75,000.00				75,000.00
Alliance - National Opioids Settlement		111,011.51	69,744.37	41,267.14		
LRIG TKCC Phase 2		62,000.00				62,000.00
	<u>\$ 313,621.75</u>	<u>\$ 883,637.17</u>	<u>\$ 530,929.01</u>	<u>\$ 47,783.47</u>	<u>\$ 6,509.15</u>	<u>\$ 612,037.29</u>
REF.	A	A-2	A-4	A-30	A-28	A

TOWNSHIP OF MIDDLETOWN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>MODIFIED BALANCE</u>	<u>2023 APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2023</u>
Federal Grants:						
Senior Center Grant Title III-B 2022	\$ 782.24	\$ 12,030.22	\$	\$ 6,522.46	\$ 5,507.76	\$
Senior Citizen Center Grant - 2023			33,500.00	33,498.39		1.61
Bayshore DWI Saturation 2022	28,000.00	28,000.00		27,720.00	280.00	
Bayshore DWI Saturation 2023			24,990.00	4,200.00		20,790.00
Bayshore Distracted Driving 2023			22,000.00	21,980.00	20.00	
Child Passenger Safety Seat 2022	19,250.00	19,250.00		19,250.00		
Child Passenger Safety Seat 2023			19,600.00			19,600.00
Click it or Ticket- 2023			7,000.00	7,000.00		
American Rescue Plan Act	27,000.00	89,565.00		62,565.00		27,000.00
Emergency Management Grant - 2023			10,000.00	10,000.00		
Bullet Proof Vest Patrick Leahy			37,620.12			37,620.12
State Grants:						
Drunk Driving Enforcement			70,896.75	6,269.77		64,626.98
Body Armor Grant 2021	5,249.67	5,249.67		5,249.67		
Body Armor Grant 2022	4,603.38	4,603.38		3,901.17		702.21
Body Armor Grant 2023			6,516.33			6,516.33
Clean Communities Program - 2019	63.47	563.47		375.00		188.47
Clean Communities Program - 2020	206.14	1,282.14		1,282.14		
Clean Communities Program - 2021	9,886.32	9,886.32		1,863.21		8,023.11
Clean Communities Program - 2022	157,330.66	157,330.66		150,000.00		7,330.66
Clean Communities Program - 2023			176,464.64			176,464.64
DDEF 2018	7,595.23	7,595.23		7,595.23		
Recycling Tonnage Grant - 2019		5,300.08		5,300.08		
Recycling Tonnage Grant - 2021	64,624.97	110,242.39		110,242.39		
Recycling Tonnage Grant - 2022	109,150.63	109,150.63		109,150.63		
Recycling Tonnage Grant - 2023			95,635.07	62,717.13		32,917.94
ARP Stabilization Grant - 2022	30,000.00	30,000.00		14,875.16		15,124.84
DCA - ROID Grant	20,000.00	20,000.00		5,779.65		14,220.35
Municipal Alliance - DEDR Muni Share - 2022	11,179.50	19,435.64	6,670.00	17,950.54		8,155.10
Municipal Alliance - DEDR Muni Share - 2022 Match	4,567.55	4,567.55		4,567.55		
Municipal Alliance - DEDR Muni Share - 2023			25,852.50	3,549.98		22,302.52
Municipal Alliance - DEDR Muni Share - 2023 Match			8,617.50	380.00		8,237.50
Youth Leadership Program	11,742.25	11,742.25		8,814.68		2,927.57
DMHAS Youth Leadership - 2023			11,742.25			11,742.25
Historic Preservation Grant Dempsey Pump House	4,215.00	13,921.50		9,706.50		4,215.00

TOWNSHIP OF MIDDLETOWN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>MODIFIED BALANCE</u>	<u>2023 APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2023</u>
State Grants (Continued)						
Dempsey Pump House Match	\$ 5,000.00	\$ 5,000.00	\$	\$	\$	5,000.00
NJ Child Care Hiring Retention			5,385.00	5,385.00		
NJ Stormwater Assistance			25,000.00			25,000.00
ARP Stabilization Grant - 2023			15,000.00	7,500.00		7,500.00
Tonya Keller Community Center Improvement			75,000.00	18,238.50		56,761.50
Spotted Lanternfly			15,000.00	15,000.00		
Other Grants:						
Open Space Steward Project at Poricy Park	100.15	100.15			100.15	
LRIG TKCC Phase 2			62,000.00			62,000.00
CBA SLEO			26,753.00	21,695.75		5,057.25
Opioid Settlement Fund 2022	67,667.49	67,667.49	111,011.51			178,679.00
Comcast Technology Grant	90,889.44	94,689.44		92,268.88		2,420.56
Sustainable Jersey Grant - PSEG	54.16	54.16			54.16	
	<u>\$ 679,158.25</u>	<u>\$ 827,227.37</u>	<u>\$ 892,254.67</u>	<u>\$ 882,394.46</u>	<u>\$ 5,962.07</u>	<u>\$ 831,125.51</u>
<u>REF.</u>	A		A-3		A-28	A
Appropriated Reserve	A-26	\$ 679,158.25				
Transferred from Encumbrances Payable	A-27	<u>148,069.12</u>				
		<u>\$ 827,227.37</u>				
Disbursed	A-4			\$ 845,068.91		
Transferred to Encumbrances Payable	A-27			<u>37,325.55</u>		
				<u>\$ 882,394.46</u>		

TOWNSHIP OF MIDDLETOWN

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 148,069.12
Increased by:		
Charged to Appropriated Grant Reserve	A-26	37,325.55
		\$ <u>185,394.67</u>
Decreased by:		
Transferred to Appropriated Grant Reserve	A-26	<u>148,069.12</u>
Balance, December 31, 2023	A	\$ <u><u>37,325.55</u></u>



"A-28"

TOWNSHIP OF MIDDLETOWN

GRANT FUND

SCHEDULE OF DUE FROM CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	471,824.09
Increased by			
2023 Budget Appropriations	A-26	\$	892,254.67
Grants Receivable Cancelled	A-1:A-25		<u>6,509.15</u>
			<u>898,763.82</u>
			<u>1,370,587.91</u>
Decreased by:			
Cash Disbursed by Current Fund	A-4	\$	275,931.27
2023 Anticipated Revenue	A-25		883,637.17
Grants Reserves Cancelled	A-1:A-26		<u>5,962.07</u>
			<u>1,165,530.51</u>
Balance, December 31, 2023	A	\$	<u><u>205,057.40</u></u>

TOWNSHIP OF MIDDLETOWN

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2022	CASH RECEIPTS	APPLIED TO GRANTS RECEIVABLE	UTILIZED AS BUDGET REVENUE	BALANCE DECEMBER 31, 2023
American Rescue Plan Act	\$ 4,341,018.00	\$	\$	\$ 1,935,000.00	\$ 2,406,018.00
Body Armor Grant	6,516.33	7,858.63	6,516.33		7,858.63
National Opioids Settlement Fund	41,267.14		41,267.14		
	<u>\$ 4,388,801.47</u>	<u>\$ 7,858.63</u>	<u>\$ 47,783.47</u>	<u>\$ 1,935,000.00</u>	<u>\$ 2,413,876.63</u>
<u>REF.</u>	A	A-4	A-25	A-4	A

TOWNSHIP OF MIDDLETOWN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>DATE</u> <u>AUTHORIZED</u>		<u>AMOUNT</u> <u>AUTHORIZED</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>		<u>ADDED IN</u> <u>2023</u>		<u>RAISED IN</u> <u>2023 BUDGET</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
N.J.S. 40A:4-46 EMERGENCY	8/15/2022	\$	300,000.00	\$	300,000.00	\$		\$	300,000.00	\$	0.00
N.J.S. 40A:4-53(d) Special Emergency	12/18/2023		175,000.00				175,000.00				175,000.00
				\$	<u>300,000.00</u>	\$	<u>175,000.00</u>	\$	<u>300,000.00</u>	\$	<u>175,000.00</u>
					A		A-3		A-3		A

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL FEES</u>	<u>OTHER</u>
Balance, December 31, 2022	B	\$ 86,991.11	\$ 32,605,738.13
Increased by Receipts:			
Due State of New Jersey	B-2	\$ 5,721.60	\$
Animal Control Fees	B-3	169,006.95	
Reserve for:			
Community Development Block Grant Receivable	B-4		278,015.22
Miscellaneous Deposits and Reserves	B-5		11,741,844.80
Open Space	B-6		4,660,207.48
Community Development Block Grant Reserve	B-7		93,950.67
Self Insurance	B-8		10,822,212.08
Payroll Deductions	B-9		43,760,007.47
		<u>174,728.55</u>	<u>71,356,237.72</u>
		\$ 261,719.66	\$ 103,961,975.85
Decreased by Disbursements:			
Due State of New Jersey	B-2	\$ 5,708.40	\$
Expenditures Under R.S.4:19-15.11	B-3	156,858.40	
Interfund - General Capital Fund	B		70,000.00
Investment in Special Emergency Note Payable	B		175,000.00
Reserve for:			
Miscellaneous Deposits and Reserves	B-5		14,816,216.75
Open Space	B-6		2,729,929.46
Community Development Block Grant Reserve	B-7		338,094.48
Self Insurance	B-8		10,361,044.63
Payroll Deductions	B-9		43,720,807.24
		<u>162,566.80</u>	<u>72,211,092.56</u>
Balance, December 31, 2023	B	\$ <u>99,152.86</u>	\$ <u>31,750,883.29</u>

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF ANIMAL LICENSE FEES DUE STATE OF NEW JERSEY

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	2.40
Increased by:			
Cash Receipts	B-1	\$	<u>5,721.60</u>
			5,724.00
Decreased by:			
Cash Disbursements	B-1		<u>5,708.40</u>
Balance, December 31, 2023	B	\$	<u><u>15.60</u></u>

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	86,988.71
Increased by:			
Dog License Fees		\$	73,348.40
Other Fees and Appropriations			<u>95,658.55</u>
	B-1		<u>169,006.95</u>
		\$	<u>255,995.66</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-1	\$	<u>156,858.40</u>
			<u>156,858.40</u>
Balance, December 31, 2023	B	\$	<u><u>99,137.26</u></u>

<u>LICENSE FEES COLLECTED</u>		
<u>YEAR</u>		<u>AMOUNT</u>
2022	\$	76,856.80
2021		<u>81,026.80</u>
	\$	<u><u>157,883.60</u></u>

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 521,739.08
Increase by:		
Grant Awards	B-7	266,538.00
		\$ <u>788,277.08</u>
Decreased by:		
Cash Receipts	B-1	<u>278,015.22</u>
Balance, December 31, 2023	B	\$ <u><u>510,261.86</u></u>

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS AND RESERVES

	BALANCE DECEMBER 31, 2022	PRIOR YEAR ENCUMBRANCES	MODIFIED	CASH RECEIPTS	CASH DISBURSEMENTS	ENCUMBRANCES	BALANCE DECEMBER 31, 2023
	\$	\$	\$	\$	\$	\$	\$
Accumulated Leave	2,278,937.55		2,278,937.55	36,879.66	434,974.46		1,880,842.75
Alliance for Drug Abuse	1,054.97	500.00	1,554.97			500.00	1,054.97
Cash Surety Bonds	2,578,306.14		2,578,306.14	29,957.96	35,526.31		2,572,737.79
C/O's Cash Bonds	49,085.29		49,085.29				49,085.29
Site Plans	99,403.44	43,892.36	143,295.80	124,373.00	173,862.95		93,805.85
CCO - DCA Fees	57,931.00		57,931.00	152,417.00	158,446.00		51,902.00
Rude Awakening	3,832.48		3,832.48				3,832.48
Norma Jean Halverson	1,953.78		1,953.78	52.10			2,005.88
Police Crime Prevention	6,692.29		6,692.29	173.17	2,737.99		4,127.47
Tonya Keller Donations	122.80		122.80				122.80
Engineering and Inspection	1,467,708.97	1,681.25	1,469,390.22	400,514.12	543,192.12		1,326,712.22
Grading Plan Review	127,805.50		127,805.50	56,525.00	74,789.75	2,773.25	106,767.50
Recreation	218,552.83	8,152.60	226,705.43	666,615.45	576,306.88	21,150.73	295,863.27
Middletown EMS Cadet Explorers	66.83		66.83				66.83
Interest on Cash Surety Bond	195,212.93		195,212.93	7,910.08	1,998.37		201,124.64
JCP&L Line Defense	9,042.46		9,042.46				9,042.46
Law Enforcement	48,509.06		48,509.06	19,082.68	3,670.33		63,921.41
Legal Fees	7,852.19		7,852.19				7,852.19
Mount Laurel Fees	2,695,289.15	275,026.00	2,970,315.15	435,060.29	322,245.04	231,305.04	2,851,825.36
NJ Sales Tax	52.66		52.66	202.96	228.58		27.04
Outside Liens	157,227.82		157,227.82	1,647,905.07	1,416,749.85		388,383.04
POAA	7,829.23		7,829.23	130			7,959.23
Police Donations	29,230.54		29,230.54				29,230.54
Police Donation - K9 Unit	18,948.67		18,948.67	4,400.00	11,180.40		12,168.27
Emergency Services Donations	1,578.47		1,578.47				1,578.47
Police off Duty	572,282.22		572,282.22	2,415,725.25	2,397,304.56		590,702.91
Police Leso Program	39,466.84		39,466.84				39,466.84
Federal Justice Forfeiture Fund	70,993.90		70,993.90	1,893.88			72,887.78
Premiums Received at Tax Sale	2,885,500.00		2,885,500.00	454,500.00	1,474,600.00		1,865,400.00
Public Defender	400.00		400.00	3,744.00	4,144.00		
Recycling Rider	314,632.66	3,500.00	318,132.66	125,466.38	139,103.00	18,901.00	285,595.04
Self Insurance	8,696,458.27	1,381,843.55	10,078,301.82	3,858,335.18	6,910,550.15	159,811.73	6,866,275.12
Self Insurance - Unemployment Compensation	875,305.55		875,305.55	216,499.01	102,093.86		989,710.70
Shade Tree Commission	16,380.00		16,380.00				16,380.00
Site Plans/GIS	187,264.48	3,364.98	190,629.46	28,565.63	13,000.00	2,000.00	204,195.09
Storm Recovery	1,236,808.51	875.00	1,237,683.51	984,178.43	275.01		2,221,586.93
Special Trust - Fire Prevention	53,424.55	2,983.65	56,408.20	41,756.00	32,956.59		65,207.61
Street Openings	122,708.68		122,708.68	28,982.50	29,412.34		122,278.84
	\$ 25,133,852.71	\$ 1,721,819.39	\$ 26,855,672.10	\$ 11,741,844.80	\$ 14,859,348.54	\$ 436,441.75	\$ 23,301,726.61
REF.	B	B-10		B-1	B-1	B-10	B



"B-6"

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE FUND

	<u>REF.</u>		
Balance, December 31, 2022	B	\$	4,097,014.03
Increased by:			
Cash Receipts:			
2023 Tax Levy		\$	4,524,903.24
2023 Added/Omitted Levy			17,378.50
Interest on Investments and Deposits			117,925.74
	B-1		<u>4,660,207.48</u>
Transfer from Encumbrances Payable	B-10		<u>1,037,318.30</u>
			<u>5,697,525.78</u>
		\$	<u>9,794,539.81</u>
Decreased by:			
Cash Disbursements:			
Bond and Loan Principal		\$	1,398,749.22
Bond Interest			364,977.78
Other Expenses			966,202.46
	B-1		<u>2,729,929.46</u>
Transfer to Encumbrances Payable	B-10		<u>798,648.09</u>
			<u>3,528,577.55</u>
Balance, December 31, 2023	B	\$	<u><u>6,265,962.26</u></u>

"B-7"

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

Balance, December 31, 2022	B	\$	531,307.52
Increased by:			
Program Income	B-1	\$	93,950.67
Grant Awards	B-4		266,538.00
Transferred from Encumbrances Payable	B-10		<u>11,535.95</u>
			<u>372,024.62</u>
		\$	<u>903,332.14</u>
Decreased by:			
Cash Disbursements	B-1	\$	338,094.48
Transferred to Encumbrances Payable	B-10		<u>28,274.46</u>
			<u>366,368.94</u>
Balance, December 31, 2023	B	\$	<u><u>536,963.20</u></u>

"B-8"

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF RESERVE FOR SELF-INSURANCE FUND

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 262,832.20
Increased by:		
Cash Receipts	B-1	11,321,879.63
		\$ <u>11,584,711.83</u>
Decreased by:		
Cash Disbursements	B-1	<u>10,860,712.18</u>
Balance, December 31, 2023	B	\$ <u><u>723,999.65</u></u>

"B-9"

SCHEDULE OF RESERVE FOR PAYROLL FUND

Balance, December 31, 2022	B	\$ 261,797.11
Increased by:		
Cash Receipts	B-1	43,760,007.47
		\$ <u>44,021,804.58</u>
Decreased by:		
Cash Disbursements	B-1	<u>43,720,807.24</u>
Balance, December 31, 2023	B	\$ <u><u>300,997.34</u></u>

"B-10"

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>	<u>TOTAL</u>	<u>OTHER TRUST FUNDS</u>	<u>OPEN SPACE TRUST FUND</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>
Balance, December 31, 2022	B	\$ 2,770,673.64	\$ 1,721,819.39	\$ 1,037,318.30	11,535.95
Increased by:					
Transferred from Reserves	B-5:B-6:B-7	1,306,496.09	479,573.54	798,648.09	28,274.46
		\$ 4,077,169.73	\$ 2,201,392.93	\$ 1,835,966.39	\$ 39,810.41
Decreased by:					
Transferred to Reserves	B-5:B-6:B-7	2,770,673.64	1,721,819.39	1,037,318.30	11,535.95
Balance, December 31, 2023	B	\$ 1,306,496.09	\$ 479,573.54	\$ 798,648.09	28,274.46

TOWNSHIP OF MIDDLETOWN

TRUST FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX RECEIVABLE

REF.

Increased by:

Open Space Added/Omitted Levy

B-6

\$ 4,542,281.74  
4,542,281.74

Decreased by:

Cash Receipts

B-1

\$ 4,542,281.74

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	13,395,919.41
Increased by Receipts:			
Grants Receivable	C-4	\$	248,324.74
Various Reserves	C-11		143,667.89
Capital Improvement Fund	C-12		2,335,000.00
Open Space Trust Interfund	C		70,000.00
Downpayment Provided by Open Space Trust Fund	C-8		230,800.00
			<u>3,027,792.63</u>
		\$	<u>16,423,712.04</u>
Decreased by Disbursements:			
Capital Surplus to Current Fund	C-1	\$	150,000.00
Various Reserves	C-11		4,994.71
Improvement Authorizations	C-8		8,993,606.18
			<u>9,148,600.89</u>
Balance, December 31, 2023	C	\$	<u><u>7,275,111.15</u></u>

"C-3"

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS

		BALANCE DECEMBER <u>31, 2023</u>
Fund Balance	\$	1,047,363.82
Capital Improvement Fund		911,594.17
Improvement Authorizations Funded (Listed on Exhibit "C-8")		6,317,268.44
Improvement Authorization Expenditures (Listed on Exhibit "C-6")		(4,812,967.17)
Contracts Payable		5,182,375.34
Various Reserves		533,974.31
Grants Receivable		(5,568,431.25)
Reserve for Grants Receivable		<u>3,663,933.49</u>
	\$	<u>7,275,111.15</u>

REF.

C

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	2,709,085.99
Increased by:			
Improvement Authorization	C-8		3,107,670.00
		\$	<u>5,816,755.99</u>
Decreased by:			
Cash Receipts	C-2		248,324.74
			<u>248,324.74</u>
Balance, December 31, 2023	C	\$	<u><u>5,568,431.25</u></u>

Analysis of Balance

Funded an Improvement Authorization:

N.J. Department of Transportation:

3290 - Holland Road	\$	68,750.00
3321 - Safe Routes to School Hubbard Avenue		450,000.00
3349 - Sleepy Hollow Road		75,425.26
3383 -East Road Improvements Phase I		251,900.00
3398 - McCleese Circle Imp.		219,420.00

US Department of Justice:

3315 - Body Worn Cameras		264,940.00
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County of Monmouth:

3227/3233 - Various Park and Recreational Improvements		4,000.00
3354 - Various Park Improvements		200,000.00
3398 - McCleese Circle Imp.		49,250.00

Department of Environmental Protection:

3224 - Various Park Acquisitions		92,312.50
3329 - Various Park Acquisitions		85,000.00
3354 - Various Park Improvements		143,500.00

Reserved:

N.J. Department of Transportation:

3321 Safe Routes to School Hubbard Ave Design Costs	\$	274,933.49	
Safe Routes to School Hubbard Avenue		550,000.00	
Bodman Park Field Imp.		342,000.00	
TASP Campbell Junction Imp.		1,500,000.00	
LA - 2023 SST Kings Hwy. Ped. Safe.		<u>997,000.00</u>	
			<u>3,663,933.49</u>
	\$		<u><u>5,568,431.25</u></u>

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	42,459,967.58
Decreased by:			
Serial Bonds Paid by Budget		\$	3,142,900.00
Serial Bonds Paid by Open Space Fund			<u>1,317,100.00</u>
	C-9		4,460,000.00
Loan Paid by Budget	C-10	\$	<u>81,649.22</u>
			<u>4,541,649.22</u>
Balance, December 31, 2023	C	\$	<u><u>37,918,318.36</u></u>



TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	INCREASED BY:		ANALYSIS OF BALANCE December 31, 2023	
		BALANCE DECEMBER 31, 2022	2023 AUTHORIZATIONS	BALANCE DECEMBER 31, 2023	UNEXPENDED IMPROVEMENT AUTHORIZATION
	<u>General Improvements</u>				
2779	Acquisition of Real Property	\$ 0.25	\$	0.25	\$ 0.25
2946	Penelope Lane	7,082.00		7,082.00	7,082.00
3056	Refunding Bond Ordinance	17,664.99		17,664.99	17,664.99
3070	Acquisition of Portable/Vehicle Radios	1,357.00		1,357.00	1,357.00
3113	Refunding Bonds	9,769.66		9,769.66	9,769.66
3321	Various Capital Improvements				
3322	Various Improvements to Municipal Complex				
3326/3336	Acquisition of Fair View Field Property	1,520,000.00		1,520,000.00	1,423,590.97
3329	Various Park Acquisitions and Improvements	255,000.00		255,000.00	96,409.03
3345	Construction of a Portion of a Dog Park and Dog Park Parking Lot in Tindall Park	285,000.00		285,000.00	255,000.00
3349	Various Capital Improvements	650,750.00		650,750.00	284,850.00
3355	Various Capital Improvements	3,293,650.00		3,293,650.00	150.00
3360	Acquisition of Easements and Real Property	807,500.00		807,500.00	650,750.00
3373	Acquisition of Properties by and for the Township		1,900,000.00	1,900,000.00	1,929,811.04
3381	Acquisition of Easements for the Port Of Monmouth Flood Control		1,282,500.00	1,282,500.00	760,825.00
3382	Various Improvements to Poricy Park and Croydon Park		337,250.00	337,250.00	1,206,412.50
3383	Various Capital Improvements		734,445.00	734,445.00	182,515.00
3397	Various Park Improvements		2,147,950.00	2,147,950.00	551,930.00
3398	Various Capital Improvements		4,968,813.00	4,968,813.00	2,147,950.00
	<u>Open Space Improvements</u>				
3354	Various Park Improvements	1,114,825.00		1,114,825.00	119,413.76
		\$ 7,962,598.90	\$ 11,370,958.00	\$ 19,333,556.90	\$ 4,812,967.17
					\$ 14,520,589.73
REF.		C	C-8	C	C-3
					C-8

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 9,813,121.59
Increased by:		
Improvement Authorizations	C-8	<u>5,182,375.34</u>
		\$ 14,995,496.93
Decreased by:		
Transfer to Improvement Authorizations	C-8	<u>9,813,121.59</u>
Balance, December 31, 2023	C	\$ <u><u>5,182,375.34</u></u>

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE		INCREASED BY:		DECREASED BY:			BALANCE	
		DATE	AMOUNT	DECEMBER 31, 2022		2023 AUTHORIZATIONS	RESERVE FOR ENCUMBRANCES	PAID	RESERVE FOR ENCUMBRANCES	CANCELLED	DECEMBER 31, 2023	
				FUNDED	UNFUNDED						FUNDED	UNFUNDED
2993	Storm/Flood Water Drainage Improvements	11/16/09	\$ 200,000.00	\$	27.00	\$	\$	\$	\$	\$	27.00	\$
3111/3119	Various Capital Improvements	10/20/14	4,700,000.00		37,620.40						37,620.40	
3141/3230	Various Capital Improvements	06/01/15	5,200,000.00		94,099.37						94,099.37	90.00
3178	Various Capital Improvements	07/18/16	5,314,530.00		166,811.26			6,242.75			160,568.51	
3188/3219/3231	Various Capital Improvements	02/06/17	3,172,050.00		57,768.38		140,309.18	7,588.77			190,488.79	
3204	Various Capital Improvements	09/05/17	1,120,950.00		126,132.01		9,540.08	9,540.08				126,132.01
3220	Preliminary Expenses - Municipal Complex	05/21/18	250,000.00		249,525.00					249,525.00		
3224	Various Park Acquisitions and Improvements	06/18/18	369,250.00		29,400.00		339,055.91	359,351.34	7,512.00		1,592.57	
3227/3233	Various Capital Improvements	7/16/2018; 9/4/18	5,359,500.00		155,012.15		752,406.63	878,271.26		29,147.52		
3228	Various Capital Improvements	07/16/18	358,352.71		175,755.70		34,093.58	16,945.29	15,148.29		177,755.70	
3229	Acquisition of Property	07/16/18	400,000.00		1,957.79					8,725.08		
3252/3254	Various Capital Improvements	04/01/19	1,707,300.00		48,597.67		128,638.09		128,625.57		48,610.19	
3262	Acquisition of a Video Pipe Inspection Camera	08/19/19	30,600.00				500.10			500.10		
3263	Acquisition of Easements for The Port Monmouth Flood Control Project	08/19/19	357,000.00		22,682.05		90,086.63	104,161.65	8,607.03			
3264	Improvements to Grand Tour Road	08/19/19	178,500.00		53,822.92		2,917.29			56,740.21		
3265	Various Capital Improvements	08/19/19	397,800.00		176,000.00		6,501.39	9.92	6,691.47		175,800.00	
3268	Acquisition of a Sport Utility Vehicle	10/21/19	51,000.00		4.17					4.17		
3275	Various Capital Improvements	12/02/19	119,000.00		6,520.99		2,815.96			9,336.95		
3276	Various Capital Improvements	12/02/19	1,153,000.00		21,924.65		146,376.25	114,108.26	3,401.35		50,791.29	
3277	Improvements To Normandy Park Turf Field											
3290	Turf Fields	12/02/19	5,145,000.00		729,263.49		161,944.69	950.00	160,994.68		729,263.50	
3315	Various Capital Improvements	08/17/20	3,682,600.00		288,546.48		219,338.92	439,388.21	44,913.93		23,593.26	
3315	Acquisition of Body Cameras, in Car Video and Storage and Accessories for Police	08/16/21	950,000.00		111.00		948,883.24	212,851.98	736,031.26		111.00	
3321	Various Capital Improvements	10/04/21	6,414,150.00	1,518,742.85		2,165,721.97	1,626,911.56	1,626,911.56	826,735.16		1,230,818.10	
3322	Various Improvements to Municipal Complex	10/18/21	1,500,000.00	9,942.00		72,715.77	73,327.14				9,330.63	
3326/3336	Acquisition of Fair View Field Property	12/20/21	3,200,000.00		96,415.98		6.95					96,409.03
3329	Various Park Acquisitions and Improvements	02/07/22	340,000.00	85,000.00	255,000.00						85,000.00	255,000.00
3339	Various Capital Improvements	04/18/22	1,400,000.00	463,970.59		617,143.90	612,988.90	4,430.00			463,695.59	
3341	Kunkel Skateboard Park	05/16/22	1,400,000.00	441,269.58		952,418.03	1,262,604.51	131,083.10				
3345	Construction of a Portion of a Dog Park and Dog Parking Lot in Tindall Park	06/06/22	300,000.00		23,000.00		276,525.00	188,066.15	111,308.85			150.00
3347	Funding for Various Improvements to the Municipal Complex	06/20/22	600,000.00	117,269.87		447,344.46	316,268.25	172,462.79			75,883.29	
3349	Various Capital Improvements	08/15/22	1,750,000.00	294,774.50	650,750.00	803,875.50	734,125.19	196,265.60			168,259.21	650,750.00
3354	Various Park Improvements - Open Space	10/03/22	1,517,000.00	337,175.00	1,114,825.00	64,677.50	306,385.88	214,880.38			995,411.24	
3355	Various Capital Improvements	10/03/22	3,467,000.00		2,030,193.35	1,422,524.23	740,826.80	1,348,051.82			1,363,838.96	
3360	Port Monmouth Flood	12/05/22	850,000.00	42,500.00	807,500.00		800,998.76	2,326.24			46,675.00	
3373	Acquisition of Properties by and for the Township	07/19/23	2,000,000.00			2,000,000.00	475.00				99,525.00	1,900,000.00
3381	Acquisition of Easements for the Port of Monmouth Flood Control	08/21/23	1,350,000.00			1,350,000.00	120,498.75	23,088.75			1,206,412.50	
3382	Various Improvements to Poricy Park and Croydon Park	08/21/23	355,000.00			355,000.00	243.00	4,757.00			12,750.00	337,250.00
3383	Various Capital Improvements	08/21/23	1,025,000.00			1,025,000.00	708.75	472,361.25			551,930.00	
3386	Various Improvements at the Municipal Complex	08/21/23	250,000.00			250,000.00	59,761.08				190,238.92	
3396	Various Capital Improvements	11/20/23	2,567,500.00			2,567,500.00		433,698.82			2,133,801.18	
3397	Various Park Improvements	11/20/23	2,261,000.00			2,261,000.00		41,000.00			72,050.00	
3398	Various Capital Improvements	11/20/23	5,499,000.00			5,499,000.00		88,000.00			442,187.00	2,147,950.00
				\$ 5,752,226.87	\$ 4,977,684.33	\$ 15,307,500.00	\$ 9,813,121.59	\$ 8,993,606.18	\$ 5,182,375.34	\$ 836,693.10	\$ 6,317,268.44	\$ 14,520,589.73
	REF.			C	C		C-7	C-2	C-7	C-1	C-C-3	C-C-6
Bonds and Notes	C-6; C-13					\$ 11,370,958.00						
Grants Receivable	C-4					268,670.00						
Open Space Trust	C-2					230,800.00						
Grant Reserves Utilized						251,900.00						
Capital Improvement Fund	C-12					3,185,172.00				\$ 249,529.17		
Capital Surplus	C-1									587,163.93		
						\$ 15,307,500.00				\$ 836,693.10		

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2023</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2023</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding Bonds	5/22/2012	\$ 8,870,000.00				\$ 435,000.00	\$ 435,000.00	\$
Refunding Bonds - Open Space	5/22/2012	7,275,000.00	12/1/2024	575,000.00	5.000%	1,475,000.00	900,000.00	575,000.00
Refunding Bonds	3/24/2016	1,320,000.00				285,000.00	285,000.00	
Refunding Bonds	10/5/2016	1,978,950.00	8/1/2024	418,700.00	4.000%	821,600.00	402,900.00	418,700.00
Refunding Bonds - Open Space	10/5/2016	526,050.00	8/1/2024	111,300.00	4.000%	218,400.00	107,100.00	111,300.00
General Obligation	02/23/17	19,935,000.00	2/15/2024	1,000,000.00	5.000%			
			2/15/2025	1,345,000.00	5.000%			
			2/15/2026	1,415,000.00	5.000%			
			2/15/2027	1,490,000.00	5.000%			
			2/15/2028	1,565,000.00	5.000%			
			2/15/2029	1,645,000.00	5.000%			
			2/15/2030	1,730,000.00	5.000%			
			2/15/2031	1,820,000.00	5.000%			
			2/15/2032	1,840,000.00	5.000%	14,850,000.00	1,000,000.00	13,850,000.00
General Obligation	12/23/2019	8,135,000.00	6/30/2024	400,000.00	5.000%			
			6/30/2025	400,000.00	5.000%			
			6/30/2026	400,000.00	5.000%			
			6/30/2027	430,000.00	5.000%			
			6/30/2028	455,000.00	5.000%			
			6/30/2029	475,000.00	5.000%			
			6/30/2030	500,000.00	5.000%			
			6/30/2031	525,000.00	5.000%			
			6/30/2032	550,000.00	5.000%			
			6/30/2033	800,000.00	4.000%			
			6/30/2034	800,000.00	4.000%			
			6/30/2035	800,000.00	4.000%	6,935,000.00	400,000.00	6,535,000.00

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2023</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2023</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Obligation	7/8/2021	\$ 4,730,000.00	3/1/2024	210,000.00	4.000%	\$ 4,545,000.00	\$ 205,000.00	\$ 4,340,000.00
			3/1/2025	220,000.00	4.000%			
			3/1/2026	230,000.00	4.000%			
			3/1/2027	240,000.00	5.000%			
			3/1/2028	255,000.00	5.000%			
			3/1/2029	265,000.00	5.000%			
			3/1/2030	280,000.00	5.000%			
			3/1/2031	295,000.00	5.000%			
			3/1/2032	305,000.00	3.000%			
			3/1/2033	315,000.00	3.000%			
			3/1/2034	325,000.00	3.000%			
			3/1/2035	335,000.00	3.000%			
			3/1/2036	345,000.00	3.000%			
			3/1/2037	355,000.00	3.000%			
			3/1/2038	365,000.00	2.000%			
General Obligation Open Space	7/8/2021	4,175,000.00	3/1/2024	220,000.00	4.000%	3,995,000.00	215,000.00	3,780,000.00
			3/1/2025	230,000.00	4.000%			
			3/1/2026	240,000.00	4.000%			
			3/1/2027	250,000.00	5.000%			
			3/1/2028	265,000.00	5.000%			
			3/1/2029	280,000.00	5.000%			
			3/1/2030	290,000.00	5.000%			
			3/1/2031	305,000.00	5.000%			
			3/1/2032	320,000.00	3.000%			
			3/1/2033	330,000.00	3.000%			
			3/1/2034	340,000.00	3.000%			
			3/1/2035	350,000.00	3.000%			
			3/1/2036	360,000.00	3.000%			

REF.

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 269,967.58
Decreased by:		
Loans Paid by Budget	C-5	<u>81,649.22</u>
Balance, December 31, 2023	C	\$ <u><u>188,318.36</u></u>

"C-11"

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

	BALANCE DECEMBER 31, 2022	INCREASED	DECREASED	BALANCE DECEMBER 31, 2023
Reserve for:				
Debt Service	\$ 233,212.99	\$ 171,379.19	\$ 4,994.71	\$ 399,597.47
Ideal Beach Dune Project	45,000.00			45,000.00
Future Sidewalk Construction	63,338.14	26,038.70		89,376.84
	<u>\$ 341,551.13</u>	<u>\$ 197,417.89</u>	<u>\$ 4,994.71</u>	<u>\$ 533,974.31</u>
<u>REF.</u>	C		C-2	C



TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	1,512,237.00
Increased by:			
2023 Budget Appropriation	C-2	\$	2,335,000.00
Improvement Authorizations Cancelled - Funded Completely by Capital Improvement Fund	C-8		<u>249,529.17</u>
			<u>2,584,529.17</u>
		\$	<u>4,096,766.17</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-8		<u>3,185,172.00</u>
Balance, December 31, 2023	C	\$	<u><u>911,594.17</u></u>

TOWNSHIP OF MIDDLETOWN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATION	INCREASED BY		
		BALANCE DECEMBER 31, 2022	2023 AUTHORIZATIONS	BALANCE DECEMBER 31, 2023
2779	Acquisition of Real Property	\$ 0.25	\$	0.25
2946	Penelope Lane	7,082.00		7,082.00
3056	Refunding Bond Ordinance	17,664.99		17,664.99
3070	Acquisition of Portable Vehicle Radios	1,357.00		1,357.00
3113	Refunding Bonds	9,769.66		9,769.66
	Located on Oakhill Road	1,520,000.00		1,520,000.00
3329	Various Park Acquisitions and Improvements	255,000.00		255,000.00
	Dog Park Parking Lot in Tindall Park	285,000.00		285,000.00
3349	Various Capital Improvements	650,750.00		650,750.00
3355	Various Capital Improvements	3,293,650.00		3,293,650.00
3360	Acquisition of Easements and Real Property	807,500.00		807,500.00
3373	Acquisition of Properties		1,900,000.00	1,900,000.00
3381	Acquisition of Eas. for the Port of Mon. Flood Control		1,282,500.00	1,282,500.00
3382	Various Improvements to Poricy/Croydon Park		337,250.00	337,250.00
3383	Various Capital Improvements		734,445.00	734,445.00
3397	Various Park Improvements		2,147,950.00	2,147,950.00
3398	Various Capital Improvements		4,968,813.00	4,968,813.00
3354	Various Park Improvements	1,114,825.00		1,114,825.00
		<u>\$ 7,962,598.90</u>	<u>\$ 11,370,958.00</u>	<u>\$ 19,333,556.90</u>

TOWNSHIP OF MIDDLETOWN

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 AWARDS PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

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

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Middletown  
County of Monmouth  
Middletown, New Jersey 07748

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 Middletown, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated May 21, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Middletown 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 LLC

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Middletown'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 Middletown's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

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

May 21, 2024



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Middletown  
County of Monmouth  
Middletown, New Jersey 07748

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

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

We have audited the Township of Middletown, County of Monmouth, State of New Jersey (the "Township") compliance with the types of compliance requirements identified as subject to audit in the Federal OMB *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2023. 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, 2023.

***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 LLC**

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 LLC

## ***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

May 21, 2024



TOWNSHIP OF MIDDLETOWN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANTORS NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD		RECEIVED 2023	EXPENDITURES 2023	SUBRECIPIENT EXPENDITURES 2023	CUMULATIVE EXPENDITURES DECEMBER 31 2023
				FROM	TO				
<u>U.S. Department of Housing and Urban Development</u>									
Community Development Block Grant	14.218	B-18-MC-34-0110	\$ 251,171.00	01/01/18	09/01/25	\$	\$		\$ 251,171.00
Community Development Block Grant	14.218	B-19-MC-34-0110	266,423.00	07/12/19	09/01/26		117.23		266,423.00
Community Development Block Grant	14.218	B-20-MC-34-0110	265,435.00	09/23/20	02/17/24		35,651.95		261,508.50
Community Development Block Grant - CARES ACT	14.218.119	B-20-MW-34-0110	559,604.00	12/29/20	06/21/26	33,000.00	10,335.00		432,835.00
Community Development Block Grant	14.218	B-21-MC-34-0110	271,708.00	07/26/21	09/01/27	121,767.08	75,386.12		264,715.78
Community Development Block Grant	14.218	B-21-MC-34-0110	262,868.00	07/21/22	06/30/23	123,248.14	135,737.44		135,737.44
Community Development Block Grant	14.218	B-23-MC-34-0110	266,538.00	07/01/23	09/01/30				
Community Development Block Grants - Program Income	14.218	Not Applicable	114,748.12	Continuous		93,950.67	80,866.74		80,866.74
Total U.S. Department of Housing and Urban Development						\$ 371,965.89	\$ 338,094.48	\$	\$ 1,693,257.46
<u>U.S. Department of the Treasury:</u>									
Treasury Forfeiture Fund	21.016	N/A	176,464.64	Continuous		\$ 1,893.88	\$	\$	\$
American Rescue Plan	21.027	N/A	310,000.00	03/03/21	12/31/24		30,350.00		250,785.00
American Rescue Plan	21.027	N/A	1,935,000.00	03/03/21	12/31/24		1,935,000.00		1,935,000.00
Total U.S. Department of the Treasury						\$ 1,893.88	\$ 1,965,350.00	\$ -	\$ 2,185,785.00
<u>U.S. Department of Health and Human Services</u>									
Pass Through the County of Monmouth:									
<u>Department of Human Services</u>									
Title III-B-Senior Citizen Grant - 2022	93.044	13-014	33,500.00	07/01/22	09/30/23	\$ 27,531.00	\$ 6,522.46	\$	\$ 27,992.24
Title III-B-Senior Citizen Grant - 2023	93.044	13-014	33,500.00	07/01/23	09/30/24		30,916.83		30,916.83
ARP Stabilization Grant - 2022	93.575	FR-03449	30,000.00	09/01/21	12/31/23	10,000.00	\$ 14,325.16	\$	14,325.16
ARP Stabilization Grant - 2023	93.575	FR-03449	15,000.00	09/01/21	12/31/23	15,000.00	7,500.00		7,500.00
Total U.S. Department of Health and Human Services						\$ 52,531.00	\$ 59,264.45	\$	\$ 80,734.23
<u>U.S. Department of Homeland Security:</u>									
Pass through the State of New Jersey:									
<u>Department of Law and Public Safety</u>									
Emergency Management Agency Assistance - 23	97.042	EMN-2022-EP-00006-S01	10,000.00	07/01/22	06/30/23	\$ 10,000.00	\$ 10,000.00		\$ 10,000.00
Total U.S. Department of Homeland Security						\$ 10,000.00	\$ 10,000.00		\$ 10,000.00
<u>U.S. Department of Justice:</u>									
Pass Through the State of New Jersey:									
<u>Department of Law and Public Safety:</u>									
Body Worn Camera Grant Program	16.835	BFY21-100-066-1020-495	264,950.00	01/01/21	12/31/25	\$	\$ 212,849.00	\$	\$ 213,854.96
Total U.S. Department of Justice						\$ -	\$ 212,849.00	\$ -	\$ 213,854.96

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

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANTORS NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD		RECEIVED 2023	EXPENDITURES 2023	SUBRECIPIENT EXPENDITURES 2023	CUMULATIVE EXPENDITURES DECEMBER 31 2023
				FROM	TO				
<u>U.S. Department of Transportation:</u>									
Pass Through the State of New Jersey:									
<u>Department of Transportation:</u>									
Safe Routes to Schools - Hubbard Ave. Design Costs	20.205	2021-DT-DLA-561	\$ 342,522.40	10/29/21	07/31/24	\$	\$ 83,654.87		\$ 151,243.78
<u>Department of Law and Public Safety:</u>									
Click It or Ticket	20.616	OP-23-45-01-MC-47	7,000.00	05/23/23	06/05/23	7,000.00	7,000.00		7,000.00
Drive Sober or Get Pulled Over - Year End Holiday Crackdown	20.616	AL-22-45-06-M11-79	6,000.00	12/03/21	01/01/22				5,040.00
Bayshore DWI Saturation Patrol - 22	20.616	AL-23-45-04-14	28,000.00	10/01/22	09/30/23	27,720.00	27,720.00		27,720.00
Bayshore DWI Saturation Patrol - 23	20.616	AL-23-45-04-14	24,990.00	10/01/23	09/30/24		4,200.00		4,200.00
Police Child Passenger Safety Seat	20.616	OP-22-45-02-10	16,500.00	10/01/21	09/30/22				16,080.00
Child Passenger Safety Seat - 22	20.616	OP-23-45-02-09	19,250.00	10/01/22	09/30/23	19,250.00	19,250.00		19,250.00
Bayshore Distracted Driving - 23	20.616	DD-23-45-01-13	22,000.00	10/01/22	09/30/23	21,840.00	21,980.00		21,980.00
Total U.S. Department of Transportation						\$ 75,810.00	\$ 163,804.87	\$ -	\$ 252,513.78
						\$ 512,200.77	\$ 2,749,362.80	\$ -	\$ 4,436,145.43

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

TOWNSHIP OF MIDDLETOWN

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

#### NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

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

##### Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund:				
Appropriated	\$ 138,341.00	\$ 322,443.79	\$ 70,144.22	\$ 530,929.01
Trust Other Fund	373,859.77			373,859.77
General Capital Fund		194,574.74		194,574.74
	<u>\$ 512,200.77</u>	<u>\$ 517,018.53</u>	<u>\$ 70,144.22</u>	<u>\$ 1,099,363.52</u>

##### Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ 179,764.45	\$ 546,919.18	\$ 113,437.73	\$ 840,121.36
Current Fund	1,935,000.00			1,935,000.00
Trust Other Fund	338,094.48			338,094.48
General Capital Fund	<u>296,503.87</u>	<u>194,574.74</u>		<u>491,078.61</u>
	<u>\$ 2,749,362.80</u>	<u>\$ 741,493.92</u>	<u>\$ 113,437.73</u>	<u>\$ 3,604,294.45</u>

#### NOTE 5. OTHER

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

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

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2023**

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

**Financial Statements**

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

**Federal Program(s)**

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

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Program Number</u>
American Rescue Plan	21.027
Body Worn Camera Grant Program	16.835

- (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? | Yes |
|---|-----|

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

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2023**

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

**Internal Control Findings** – None Reported

**Compliance Findings** – None Reported

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

**Federal Programs** – None

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

**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2023**

**Status of Prior Year Audit Findings**

None Reported

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

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

	Year 2023		Year 2022	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 11,600,000.00	3.83%	\$ 10,700,000.00	3.67%
Miscellaneous - From Other Than Local				
Property Tax Levies	28,903,340.45	9.53%	24,761,304.84	8.50%
Collection of Delinquent Taxes and Tax Title Liens	55,185.16	0.02%	29,926.04	0.01%
Collection of Current Tax Levy	<u>262,632,076.17</u>	<u>86.62%</u>	<u>255,809,580.21</u>	<u>87.82%</u>
<u>TOTAL INCOME</u>	<u>\$ 303,190,601.78</u>	<u>100.00%</u>	<u>\$ 291,300,811.09</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 94,358,170.12	32.43%	\$ 87,790,331.26	31.33%
County Taxes	30,938,754.28	10.63%	30,309,309.05	10.82%
Local School Taxes	161,062,781.00	55.36%	157,972,679.00	56.38%
Municipal Open Space Tax	4,542,281.74	1.56%	4,082,697.52	1.46%
Other Expenditures	<u>37,410.62</u>	<u>0.01%</u>	<u>47,313.38</u>	<u>0.02%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 290,939,397.76</u>	<u>100.00%</u>	<u>\$ 280,202,330.21</u>	<u>100.00%</u>
Excess in Revenue	\$ 12,251,204.02		\$ 11,098,480.88	
Adjustments to Income Before Fund Balance:				
Expenditures Included above which are Deferred Charges to Budget of Succeeding Year	<u>175,000.00</u>		<u>300,000.00</u>	
Regulatory Excess to Fund Balance	\$ 12,426,204.02		\$ 11,398,480.88	
Fund Balance, January 1	<u>25,556,666.82</u>		<u>24,858,185.94</u>	
	\$ 37,982,870.84		\$ 36,256,666.82	
Less: Utilization as Anticipated Revenue	<u>11,600,000.00</u>		<u>10,700,000.00</u>	
Fund Balance, December 31	<u>\$ 26,382,870.84</u>		<u>\$ 25,556,666.82</u>	

### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Apportionment of Tax Rate:			
Local Municipal	0.404	0.429	0.467
Municipal Open Space	0.030	0.030	0.030
Municipal Library	0.031	0.031	0.033
County	0.204	0.223	0.255
Local School	1.069	1.170	1.295
Total Tax Rate	<u>1.738</u>	<u>1.883</u>	<u>2.080</u>

### ASSESSED VALUATIONS

2023	\$15,071,893,790.00		
2022		\$13,504,091,919.00	
2021			\$11,931,209,173.00

### 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.

		CASH	PERCENTAGE
<u>YEAR</u>	<u>TAX LEVY</u>	<u>COLLECTION</u>	<u>OF COLLECTIONS</u>
2023	\$262,960,723.65	\$262,632,076.17	99.87%
2022	\$256,087,321.15	\$255,809,580.21	99.89%
2021	\$250,438,260.68	\$250,248,705.87	99.92%

### DELINQUENT TAXES AND TAX TITLE LIENS

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

		AMOUNT OF		
<u>YEAR</u>	<u>AMOUNT OF TAX</u>	<u>DELINQUENT</u>	<u>TOTAL</u>	<u>PERCENTAGE</u>
	<u>TITLE LIENS</u>	<u>TAXES</u>	<u>DELINQUENT</u>	<u>OF TAX LEVY</u>
2023	\$234,898.02	\$3,861.56	\$238,759.58	0.09%
2022	\$243,968.95	\$19,417.57	\$263,386.52	0.10%
2021	\$213,252.13	\$23,254.52	\$236,506.65	0.09%

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2023	\$1,548,300.00
2022	\$1,485,300.00
2021	\$1,485,300.00

### COMPARATIVE SCHEDULE OF FUND BALANCES

Current Fund		UTILIZED IN	
<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>BUDGET OF</u> <u>SUCCEEDING YEAR</u>	<u>DEFERRED</u> <u>SCHOOL TAX</u>
2023	\$26,382,870.84	\$12,400,000.00	61,820,000.00
2022	\$25,556,666.82	\$11,600,000.00	61,820,000.00
2021	\$24,858,185.94	\$10,700,000.00	61,820,000.00
2020	\$24,077,323.92	\$10,700,000.00	61,820,000.00
2019	\$22,077,350.74	\$8,500,000.00	61,820,000.00

### EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2023	\$13,794,342,819.33
2022	\$13,750,270,540.00
2021	\$12,432,078,665.00

## 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</u>
Anthony S. Perry	Mayor	*
Rick W. Hibell	Deputy Mayor	*
Ryan M. Clarke	Committeeman	*
Kevin M Settembrino	Committeeman	*
Kimberly Kratz	Committeewoman	*
Anthony Mercantante	Township Administrator	*
Colleen Lapp	Chief Financial Officer	*
Heidi R. Brunt	Township Clerk	*
Debra Marchetti	Tax Collector	*
Alex Worth	Tax Assessor	*
Kathleen Chieffo	Court Administrator	*
James Berube, Esq.	Municipal Judge	*
Steven P. Monaghan	Municipal Judge	*

All of the bonds were examined and were properly executed.

\*All Employees are covered under a \$1,000,000.00 Employees Dishonesty Blanket Coverage Bond through the Monmouth Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

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COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

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

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 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 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Township has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$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 Township Attorney's opinion should be sought before a commitment is made.

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

Custom Wood Benches  
TV Studio Lighting and Control Room Equipment  
East Road Roadway Improvements Phase I  
Printing Services

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

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

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40:11-14:

Auditor  
Township Attorney  
Bond Counsel  
Engineering Services  
Architectural Services  
Labor Counsel  
Legal Services



## COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 1, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, N.J.S.A. 54:4-67 permits the Governing Body to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for late payment of taxes or assessments as provided by law; and

WHEREAS, any unpaid taxes and municipal charges constitute an unfair burden on those taxpayers who pay their taxes and municipal charges in a timely manner and delinquent taxpayers should be required to carry their share of the tax burden; and

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Township of Middletown, County of Monmouth, State of New Jersey, that the property taxes shall be due and payable quarterly on February 1st, May 1st, August 1st and November 1st for the year 2021, with a ten day grace period, after which dates, if unpaid, shall become delinquent, with interest charges as set for below and reverting back to the due date on any quarterly installment of taxes.

The Tax Collector is hereby authorized and directed to charge, subject to any abatement or discount for the late payment of taxes as provided by law:

1. Eight percent (8%) per annum on the first \$1,500.00 of taxes delinquent after due date and
2. Eighteen percent (18%) per annum on any amount in excess of \$1,500.00 of taxes delinquent after due date; and
3. Any 2022 municipal charges remaining unpaid on the 11th day of the 11th month of the fiscal year will be subject to Tax Sale.

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

## VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	<u>NUMBER</u>
Payments of 2023 Taxes	5

## TAX TITLE LIENS

The last tax sale was held on December 20, 2023 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2023	50
2022	52
2021	62

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

## OTHER COMMENTS

### Interfund Balances

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

## RECOMMENDATIONS

None



