

TOWNSHIP OF UPPER DEERFIELD

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2022

TOWNSHIP OF UPPER DEERFIELD
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
	<u>PART I</u>	
	Independent Auditor's Report	1 - 3
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	4 - 5
A - 1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	6 - 7
A - 2	Statement of Revenues - Regulatory Basis	8 - 11
A - 3	Statement of Expenditures - Regulatory Basis	12 - 19
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	20
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	21
C - 1	Comparative Statement of Fund Balance - Regulatory Basis	22
	<u>WATER AND SEWER UTILITY FUND</u>	
D	Comparative Balance Sheet - Regulatory Basis	23 - 24
D - 1	Comparative Statement of Operations and Changes in Operating Fund Balance - Regulatory Basis	25
D - 2	Comparative Statement of Capital Fund Balance - Regulatory Basis	26
D - 3	Statement of Revenues - Regulatory Basis	27
D - 4	Statement of Expenditures - Regulatory Basis	28
	<u>GENERAL FIXED ASSETS ACCOUNT GROUP</u>	
E	Comparative Balance Sheet - Regulatory Basis	29
	NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS	30 - 50
	SUPPLEMENTARY INFORMATION	
	Independent Auditor's Report - Government Auditing Standards	51 - 52
	Independent Auditor's Report -Uniform Guidance	53-55
	Schedule of Federal Financial Awards	56
	Notes to Schedules of Financial Awards	57
	Schedule of Findings and Questioned Costs	58
	Status of Prior Year Findings	59

TOWNSHIP OF UPPER DEERFIELD
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
<u>CURRENT FUND</u>		
A - 4	Schedule of Cash - Treasurer	60 - 61
A - 5	Schedule of Cash - Collector	62
A - 6	Schedule of Taxes Receivable and Analysis of Property Tax Levy	63
A - 7	Schedule of Tax Title Liens	64
A - 8	Schedule of Revenue Accounts Receivable	65
A - 9	Schedule of Appropriation Reserves - Prior Year	66 - 70
A - 10a	Schedule of Local District School Tax	71
A - 10b	Schedule of Regional School Tax	72
A - 11	Schedule of Federal and State Grants Receivable	73
A - 12	Schedule of Appropriated Reserves for Federal and State Grants	74
A - 13	Schedule of Reserves for Federal and State Grants - Unappropriated	75
<u>TRUST FUND</u>		
B - 1	Schedule of Animal Control Cash - Treasurer	76
B - 2	Schedule of Other Trust Cash - Treasurer	77
B - 3	Schedule of Reserve for Animal Control Expenditures	78
B - 4	Schedule of Amount Due to State of New Jersey	79
B - 5	Schedule of Reserves	80
<u>GENERAL CAPITAL FUND</u>		
C - 2	Schedule of Cash - Treasurer	81
C - 3	Analysis of Cash	82
C - 4	Schedule of Capital Improvement Fund	83
C - 5	Schedule of Deferred Charges to Future Taxation - Funded	N/A
C - 6	Schedule of Deferred Charges to Future Taxation - Unfunded	84
C - 7	Schedule of Improvement Authorizations	85
C - 8	Schedule of General Serial Bonds	N/A
C - 9	Schedule of Bond Anticipation Notes	N/A
C - 10	Schedule of Bonds and Notes Authorized But Not Issued	86
<u>WATER & SEWER UTILITY FUND</u>		
D - 5	Schedule of Cash - Treasurer	87
D - 6	Analysis of Cash	88
D - 7	Schedule of Cash - Collector	89
D - 8	Schedule of Consumer Accounts Receivable	90
D - 9	Schedule of Utility Liens	90
D - 10	Schedule of Appropriation Reserves - Prior Year	91
D - 11	Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	92
D - 12	Schedule of Improvement Authorizations	93 - 95
D - 13	Schedule of Loans Payable	96
D - 14	Schedule of Bond Anticipation Notes	N/A
D - 15	Schedule of Bonds and Notes Authorized But Not Issued	N/A
<u>PART II</u>		
	General Comments	97 - 99
	Findings and Recommendations	100

TOWNSHIP OF UPPER DEERFIELD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2022



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Township Committee
Township of Upper Deerfield
County of Cumberland, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Upper Deerfield, as of December 31, 2022 and 2021, the related statement 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 funds for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Township's basic 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 "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 each fund of the Township of Upper Deerfield as of December 31, 2022 and 2021, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Township of Upper Deerfield 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 audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Upper Deerfield on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Upper Deerfield'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 of Local Government Services 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- exercise professional judgement 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 the 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 of Upper Deerfield'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 judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Township of Upper Deerfield's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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 Upper Deerfield Township basic financial statements. The supplementary information listed in the table of contents, the letter of comments and recommendations, and the schedule of expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 listed in the table of contents and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2023, on our consideration of the Township of Upper Deerfield'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 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 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 the Township of Upper Deerfield's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

Michael S. Garcia

**Michael S. Garcia
Certified Public Accountant Registered
Municipal Accountant
No. 472**

September 1, 2023

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**EXHIBIT - A
CURRENT FUND**

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 4,970,135.38	5,381,007.60
Cash - Change	520.00	520.00
Total Cash	<u>4,970,655.38</u>	<u>5,381,527.60</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	557,061.33	496,816.33
Tax Title and Other Liens	363,670.66	275,500.27
Property Acquired for Taxes - at Assessed Valuation	556,900.00	556,900.00
Clean Up Charges Receivable	-	3,641.41
Revenue Accounts Receivable	-	3,795.14
Interfunds Receivable:		
Federal and State Grant Fund	374,029.65	-
Trust Funds:		
Animal Control	10,253.60	4.85
Uniform Fire Safety	0.07	0.04
Accumulated Absences	13.81	1.91
Tax Title Lien	20.69	-
Storm Recovery	8.94	4.72
Senior Citizen Center	0.55	0.28
Public Defender	3.83	0.92
Recreation	5.04	2.99
Flex Trust	4.37	2.12
POAA	3.69	3.57
Supplemental Insurance	1.89	0.80
Payroll	1.80	-
General Capital	170.77	58.99
Utility Operating	-	1,113.06
Prepaid Local School Taxes	-	12,433.50
Prepaid Regional High School Taxes	-	7,609.50
Total Receivables and Other Assets	<u>1,862,150.69</u>	<u>1,357,890.40</u>
Total Regular Fund	<u>6,832,806.07</u>	<u>6,739,418.00</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	1,605,870.52	1,448,383.62
Due from Current Fund	-	292,145.71
Total Federal and State Grant Fund	<u>1,605,870.52</u>	<u>1,740,529.33</u>
Total Current Fund	<u>\$ 8,438,676.59</u>	<u>8,479,947.33</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2022</u>	<u>2021</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 435,154.77	470,873.75
Reserve for Encumbrances	334,172.71	303,522.38
Prepaid Taxes	553,662.83	451,205.31
Overpaid Taxes	20,155.13	36,787.28
Reserve for Payroll Payable	-	4,501.28
Reserve for Tax Appeals	123,375.93	223,737.68
Reserve for Municipal Property Relief Act	70,678.82	-
Local School Tax Payable	1.00	-
Regional School Tax Payable	3,628.00	-
County Added Tax Payable	72,849.27	205,027.79
Due to State:		
Seniors and Veterans	33,029.96	30,529.96
DCA Fees	6,956.00	4,942.00
UCC Fees Payable:		
Fairfield Township	2,615.00	4,614.00
Hopewell Township	5,610.00	9,006.00
Interfund Payable:		
Utility Operating	2,704.43	-
Due to Developers Escrow	218.08	158.16
Due to Grant Fund	-	292,145.71
	1,664,811.93	2,037,051.30
Reserve for Receivables and Other Assets	1,862,150.69	1,357,890.40
Fund Balance	3,305,843.45	3,344,476.30
Total Regular Fund	6,832,806.07	6,739,418.00
Federal and State Grant Fund:		
Unappropriated Reserves	-	380,836.53
Appropriated Reserves	638,394.62	1,247,092.05
Encumbrances Payable	593,446.25	54,455.06
Due to Utility Operating Fund	-	58,145.69
Due to Current Fund	374,029.65	-
Total Federal and State Grant Fund	1,605,870.52	1,740,529.33
Total Current Fund	\$ 8,438,676.59	8,479,947.33

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2022	2021
Revenue and Other Income Realized		
Fund Balance	\$ 1,815,306.62	1,459,070.44
Miscellaneous Revenue Anticipated	4,045,723.47	2,950,240.05
Receipts from Delinquent Taxes	517,369.81	497,165.84
Receipts from Current Taxes	20,933,072.33	20,812,490.76
Non Budget Revenue	1,336,967.81	941,078.07
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	485,594.24	458,631.23
Interfunds Returned	-	427,712.19
Overpaid School Taxes Applied	20,043.00	-
Total Income	29,154,077.28	27,546,388.58
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	1,046,900.00	991,060.00
Other Expenses	2,140,000.00	2,076,850.00
Deferred Charges & Statutory Expenditures	278,979.00	254,665.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	669,550.00	598,100.00
Other Expenses	1,806,574.26	705,098.75
Capital Improvements	600,000.00	420,000.00
Deferred Charges	108,000.00	108,000.00
Local District School Tax	7,958,768.00	7,804,042.00
Regional District School Tax	4,136,155.00	4,127,075.00
County Tax	8,176,303.52	7,840,657.69
County Share of Added Tax	72,849.28	205,027.78
Overpaid School Taxes	-	20,043.00
Interfund Created	383,324.45	-
Total Expenditures	27,377,403.51	25,150,619.22
Excess/(Deficit) in Revenue	\$ 1,776,673.77	2,395,769.36

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
Statutory Excess to Fund Balance	1,776,673.77	2,395,769.36
Fund Balance January 1	3,344,476.30	2,407,777.38
	5,121,150.07	4,803,546.74
Decreased by:		
Utilization as Anticipated Revenue	<u>1,815,306.62</u>	<u>1,459,070.44</u>
Fund Balance December 31	\$ <u>3,305,843.45</u>	<u>3,344,476.30</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 1,815,306.62		1,815,306.62	-
Total Fund Balance Anticipated	<u>1,815,306.62</u>	<u>-</u>	<u>1,815,306.62</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Fines and Costs:				
Municipal Court	55,000.00		57,882.71	2,882.71
Total Section A: Local Revenues	<u>55,000.00</u>	<u>-</u>	<u>57,882.71</u>	<u>2,882.71</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	1,354,938.00		1,354,938.00	-
Total Section B: State Aid Without Offsetting Appropriations	<u>1,354,938.00</u>	<u>-</u>	<u>1,354,938.00</u>	<u>-</u>
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	125,000.00		134,300.00	9,300.00
Total Section C: Uniform Construction Code Fees	<u>125,000.00</u>	<u>-</u>	<u>134,300.00</u>	<u>9,300.00</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section D: Special Items - Shared Service Agreements				
Cumberland Salem Regional Court	270,000.00		273,143.50	3,143.50
Deerfield Township - Uniform Construction Code	50,000.00		58,568.00	8,568.00
Fairfield Township - Uniform Construction Code	48,000.00		48,000.00	-
Greenwich Township - Uniform Construction Code	2,000.00		12,427.00	10,427.00
Hopewell Township - Uniform Construction Code	48,000.00		59,750.00	11,750.00
Stow Creek Township - Uniform Construction Code	15,000.00		11,367.00	(3,633.00)
Lawrence Township - Zoning/Housing	5,150.00		8,980.00	3,830.00
Shiloh Township - Uniform Construction Code	2,000.00		6,938.00	4,938.00
Pittsgrove Township - Financial Administration	45,400.00		44,517.00	(883.00)
Section D: Special Items - Shared Service Agreements	<u>485,550.00</u>	<u>-</u>	<u>523,690.50</u>	<u>38,140.50</u>
Section E: Special Items - Additional Revenues Off-Set with Appropriations				
Emergency Medical Services - Billings	284,800.00		339,496.19	54,696.19
Section E: Special Items - Additional Revenues Off-Set with Appropriations	<u>284,800.00</u>	<u>-</u>	<u>339,496.19</u>	<u>54,696.19</u>
Section F: Special Items - Public and Private Programs Off-Set with Appropriations				
Recycling Tonnage Grant	14,487.71		14,487.71	-
DOT- Transportation Trust Fund	240,000.00		240,000.00	-
Clean Communities Program		17,896.49	17,896.49	-
Municipal Alliance on Alcoholism and Drug Abuse	15,217.00		15,217.00	-
ARP - Nitrate Removal System		761,673.06	761,673.06	-
Small Cities Block Grant - Facilities		400,000.00	400,000.00	-
Small Cities Block Grant - Home Rehabilitation		163,000.00	163,000.00	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	<u>269,704.71</u>	<u>1,342,569.55</u>	<u>1,612,274.26</u>	<u>-</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section G: Other Special Items				
Uniform Fire Safety Act	23,279.00		23,141.81	(137.19)
Total Section G: Other Special Items	<u>23,279.00</u>	<u>-</u>	<u>23,141.81</u>	<u>(137.19)</u>
Total Miscellaneous Revenues:	<u>2,598,271.71</u>	<u>1,342,569.55</u>	<u>4,045,723.47</u>	<u>104,882.21</u>
Receipts from Delinquent Taxes	<u>420,000.00</u>		<u>517,369.81</u>	<u>97,369.81</u>
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	1,132,134.38		1,207,275.53	75,141.15
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>1,132,134.38</u>	<u>-</u>	<u>1,207,275.53</u>	<u>75,141.15</u>
Budget Totals	<u>5,965,712.71</u>	<u>1,342,569.55</u>	<u>7,585,675.43</u>	<u>277,393.17</u>
Non- Budget Revenues:				
Other Non- Budget Revenues:			1,336,967.81	1,336,967.81
	<u>5,965,712.71</u>	<u>1,342,569.55</u>	<u>8,922,643.24</u>	<u>1,614,360.98</u>

See accompanying Notes to Financial Statements - Regulatory Basis

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Analysis of Realized Revenues	
Allocation of Current Tax Collections:	
Revenue from Collections	20,933,072.33
Less: Reserve for Tax Appeals Pending	-
Net Revenue from Collections	20,933,072.33
Allocated to:	
School, County and Other Taxes	20,344,075.80
Balance for Support of Municipal Budget Appropriations	588,996.53
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	618,279.00
Amount for Support of Municipal Budget Appropriations	1,207,275.53
Receipts from Delinquent Taxes:	
Delinquent Tax Collection	493,722.50
Tax Title Lien Collections	23,647.31
Total Receipts from Delinquent Taxes	517,369.81
Analysis of Non-Budget Revenue:	
Miscellaneous Revenue Not Anticipated:	
Abatements	45,659.92
Bid Packet Fee	300.00
Cable Franchise Fees	21,829.86
Convenience Center Stickers	450.00
Duplicate Tax Bills, Certificates of Redemption	185.00
Electricity Credit Rewards	311.08
Fire Safety Receipts	9,019.00
Homestead Rebate Admin Fees	375.00
Housing Official	44,330.00
Interest & Costs on Taxes	96,262.41
Interest on Investments	15,774.93
Insurance Reimbursements	10,936.89
Lot Clearing	335.00
Cancelled Stale Dated Checks	291.70
JIF Safety Money	3,575.00
Miscellaneous	3,380.20
Liquor License	651,000.00
Payments in Lieu of Taxes	340,962.04
Planning Board	2,740.00
Recycling Receipts	7,377.80
Senior & Vets Admin Fees	1,550.00
Shiloh Inspections	1,800.00
Statutory Excess Due from Dog Trust Fund	10,233.95
Street Opening Permits	5,275.00
Tax Title Lien Premiums	18,300.00
Verizon Franchise Fee	19,098.03
Vital Statistics	21,390.00
Zoning Official	4,225.00
Total Miscellaneous Revenue Not Anticipated:	1,336,967.81

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 90,000.00	90,000.00	89,422.86		577.14	
Other Expenses	21,000.00	21,000.00	17,361.15	1,226.07	2,412.78	
Mayor & Township Committee						
Salaries and Wages	66,500.00	66,500.00	66,467.00		33.00	
Other Expenses	10,000.00	10,000.00	8,046.18	1,128.03	825.79	
Municipal Clerk						
Salaries and Wages	31,000.00	31,000.00	30,086.80		913.20	
Other Expenses	28,000.00	28,000.00	19,358.76	149.99	8,491.25	
Financial Administration						
Salaries and Wages	86,000.00	86,000.00	61,762.77		24,237.23	
Other Expenses	13,000.00	13,000.00	7,889.95	761.95	4,348.10	
Annual Audit	21,000.00	21,000.00	-		21,000.00	
Revenue Administration						
Salaries and Wages	69,500.00	69,500.00	67,002.61		2,497.39	
Other Expenses	12,000.00	12,000.00	6,955.72	1,099.16	3,945.12	
Tax Assessment						
Other Expenses	50,000.00	50,000.00	35,918.51	661.11	13,420.38	
Legal Services and Costs						
Other Expenses	60,000.00	60,000.00	51,376.35	5,477.06	3,146.59	
Engineering Services & Costs						
Other Expenses	40,000.00	40,000.00	24,547.75	2,500.00	12,952.25	
Economic Development						
Salaries and Wages	525.00	525.00	450.00		75.00	
Other Expenses	32,000.00	32,000.00	18,644.34		3,355.66	10,000.00
Historic Commission						
Salaries and Wages	750.00	750.00	675.00		75.00	
Other Expenses	15,000.00	15,000.00	14,357.97		642.03	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
LAND USE ADMINISTRATION:						
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries and Wages	2,500.00	2,500.00	450.00		2,050.00	
Other Expenses	50,000.00	40,000.00	20,680.20	10,011.31	9,308.49	
Zoning Officer						
Salaries and Wages	31,000.00	31,000.00	30,900.00		100.00	
Other Expenses	10,000.00	10,000.00	451.77	67.15	9,481.08	
CODE ENFORCEMENT & ADMINISTRATION:						
Housing Official						
Salaries and Wages	10,500.00	10,500.00	10,300.08		199.92	
Other Expenses	2,000.00	2,000.00			2,000.00	
INSURANCE:						
Liability Insurance	50,000.00	50,000.00	48,189.53		1,810.47	
Workers' Compensation	109,000.00	109,000.00	102,634.47		6,365.53	
Employee Group Insurance	381,500.00	381,500.00	309,061.14	40,442.21	31,996.65	
Payments in Lieu of Benefits	27,500.00	27,500.00	23,687.68		3,812.32	
PUBLIC SAFETY FUNCTIONS:						
Emergency Management						
Salaries and Wages	4,200.00	4,200.00	4,141.92		58.08	
Other Expenses	5,000.00	5,000.00	3,596.01		1,403.99	
Aid to Volunteer Fire Companies						
Other Expenses	117,000.00	117,000.00	94,580.40	22,321.68	97.92	
Utilities	38,000.00	43,300.00	32,512.18	6,666.65	4,121.17	
Ambulance						
Other Expenses	15,000.00	15,000.00	7,272.65		7,727.35	
Utilities	35,000.00	40,000.00	34,900.66	2,067.03	3,032.31	
First Aid Organization - Contribution	12,500.00	12,500.00	11,231.26		1,268.74	
Fire Safety Official						
Salaries and Wages	21,500.00	21,500.00	21,500.00		-	
Other Expenses	10,000.00	10,000.00	5,682.73	612.56	3,704.71	
Municipal Prosecutor						
Salaries and Wages	36,000.00	36,000.00	36,000.00		-	
Other Expenses	1,500.00	1,500.00			1,500.00	
First Aid						
Salaries and Wages	10,000.00	10,000.00	204.00		9,796.00	
Other Expenses	92,000.00	92,000.00	61,169.02	29,072.68	1,758.30	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC WORKS FUNCTIONS:						
Streets and Roads						
Salaries and Wages	215,000.00	215,000.00	213,513.80		1,486.20	
Other Expenses	90,000.00	90,000.00	72,767.79	9,223.55	8,008.66	
Utilities	36,000.00	50,700.00	41,008.86	2,544.07	7,147.07	
Snow Removal						
Salaries and Wages	8,000.00	8,000.00	2,136.50		5,863.50	
Other Expenses	60,000.00	39,500.00	15,600.88	400.53	13,498.59	10,000.00
Shade Tree Committee						
Other Expenses	8,000.00	8,000.00			8,000.00	
Solid Waste Convenience Center						
Salaries and Wages	95,000.00	95,000.00	86,459.87		8,540.13	
Other Expenses	45,000.00	45,000.00	35,570.98	4,263.51	5,165.51	
Utilities	13,500.00	15,500.00	11,897.30	613.43	2,989.27	
Buildings and Grounds						
Salaries and Wages	51,000.00	51,000.00	42,754.51		8,245.49	
Other Expenses	40,000.00	40,000.00	34,004.57	2,325.03	3,670.40	
Utilities	38,000.00	39,500.00	33,571.66	4,425.42	1,502.92	
HEALTH AND HUMAN SERVICES:						
Board of Health						
Salaries and Wages	6,000.00	6,000.00	5,619.25		380.75	
Other Expenses	2,000.00	2,000.00	704.28	24.92	1,270.80	
Alliance for Substance Abuse						
Other Expenses	2,000.00	2,000.00	2,000.00		-	
Environmental Committee						
Salaries and Wages	975.00	975.00	900.00		75.00	
Other Expenses	3,000.00	3,000.00	1,473.01		1,526.99	
Animal Control						
Salaries and Wages	7,000.00	7,000.00	6,880.42		119.58	
Other Expenses	70,000.00	70,000.00	65,344.18	1,100.00	3,555.82	

See accompanying Notes to Financial Statements - Regulatory Basis

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PARKS AND RECREATION FUNCTIONS:						
Senior Center						
Salaries and Wages	22,000.00	22,000.00	14,205.70		7,794.30	
Other Expenses	10,000.00	10,000.00	8,679.51	1,119.58	200.91	
Utilities	13,000.00	15,000.00	11,251.44	2,218.36	1,530.20	
Maintenance of Parks						
Salaries and Wages	42,500.00	42,500.00	34,744.89		7,755.11	
Other Expenses	65,000.00	65,000.00	58,664.87	2,066.28	4,268.85	
Utilities	4,500.00	4,500.00	1,828.89	534.03	2,137.08	
Bostwick Lake Commission						
Other Expenses	3,000.00	3,000.00			3,000.00	
OTHER OPERATING FUNCTIONS						
Accumulated Leave Compensation	5,000.00	5,000.00	5,000.00		-	
UTILITY EXPENSES & BULK PURCHASES						
Street Lighting	165,000.00	165,000.00	150,901.43	8,584.57	5,514.00	
SOLID WASTE DISPOSAL COSTS						
Landfill Disposal Cost						
Other Expenses	210,000.00	210,000.00	167,621.52	6,845.41	15,533.07	20,000.00
MUNICIPAL COURT						
Municipal Court						
Salaries and Wages	30,000.00	30,000.00	19,399.49		10,600.51	
Other Expenses	17,000.00	17,000.00	16,803.31	170.35	26.34	
Public Defender						
Salaries and Wages	9,000.00	9,000.00	-		9,000.00	
Other Expenses	22,000.00	22,000.00	21,420.00	570.00	10.00	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE						
Construction Official						
Salaries and Wages	55,500.00	55,500.00	54,605.46		894.54	
Building Subcode Official						
Salaries and Wages	18,600.00	18,600.00	18,540.00		60.00	
Electrical Sub-code						
Salaries and Wages	12,500.00	12,500.00	12,360.00		140.00	
Plumbing Sub-code						
Salaries and Wages	11,200.00	11,200.00	11,200.00		-	
Fire Sub-code						
Salaries and Wages	2,650.00	2,650.00			2,650.00	
TOTAL OPERATIONS WITHIN "CAPS"	<u>3,226,900.00</u>	<u>3,226,900.00</u>	<u>2,658,903.79</u>	<u>171,293.68</u>	<u>356,702.53</u>	<u>40,000.00</u>
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>3,226,900.00</u>	<u>3,226,900.00</u>	<u>2,658,903.79</u>	<u>171,293.68</u>	<u>356,702.53</u>	<u>40,000.00</u>
Detail:						
Salaries and Wages	1,046,900.00	1,046,900.00	942,682.93	-	104,217.07	-
Other Expenses	2,180,000.00	2,180,000.00	1,716,220.86	171,293.68	252,485.46	40,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	176,979.00	176,979.00	176,979.00		-	
Social Security System (O.A.S.I.)	80,500.00	80,500.00	79,224.87		1,275.13	
Unemployment Compensation Insurance	10,000.00	10,000.00	9,084.55		915.45	
DCRP	11,500.00	11,500.00	9,389.54		2,110.46	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>278,979.00</u>	<u>278,979.00</u>	<u>274,677.96</u>	<u>-</u>	<u>4,301.04</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>3,505,879.00</u>	<u>3,505,879.00</u>	<u>2,933,581.75</u>	<u>171,293.68</u>	<u>361,003.57</u>	<u>40,000.00</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Health Insurance	3,500.00	3,500.00			3,500.00	
SHARED SERVICE AGREEMENTS						
Construction Code						
Salaries and Wages	116,500.00	116,500.00	102,061.09		14,438.91	
Other Expenses	48,500.00	48,500.00	34,623.95	1,994.14	11,881.91	
Cumberland Salem Regional Court						
Salaries and Wages	221,000.00	221,000.00	216,662.45		4,337.55	
Other Expenses	49,000.00	49,000.00	21,704.33	2,423.69	24,871.98	
Financial Administration - Pittsgrove Township						
Salaries and Wages	42,100.00	42,100.00	40,800.00		1,300.00	
Other Expenses	3,300.00	3,300.00	2,340.90		959.10	
Zoning Officer- Lawrence Twonship						
Salaries and Wages	2,575.00	2,575.00	2,575.00		-	
Housing Officer - Lawrence Township						
Salaries and Wages	2,575.00	2,575.00	2,574.92		0.08	
Total Opearations Excluded from CAPS	<u>489,050.00</u>	<u>489,050.00</u>	<u>423,342.64</u>	<u>4,417.83</u>	<u>61,289.53</u>	<u>-</u>
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES						
Ambulance						
Salaries and Wages	284,800.00	284,800.00	277,488.33		7,311.67	
Total Additional Appropriations Offset by Revenues	<u>284,800.00</u>	<u>284,800.00</u>	<u>277,488.33</u>	<u>-</u>	<u>7,311.67</u>	<u>-</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
Matching Funds for Grants	90,000.00	5,550.00	-		5,550.00	
Clean Communities Program		17,896.49	17,896.49		-	
ARP - Nitrate Removal System		761,673.06	761,673.06		-	
Small Cities- Home Rehabilitation - Grant		163,000.00	163,000.00		-	
Small Cities- Home Rehabilitation - Match		24,450.00	24,450.00		-	
Small Cities- Facilities - Grant		400,000.00	400,000.00		-	
Small Cities- Facilities - Match		60,000.00	60,000.00		-	
County of Cumberland - Alliance for Substance Abuse Prevention Program	15,217.00	15,217.00	15,217.00		-	
Recycling Tonnage	14,487.71	14,487.71	14,487.71		-	
DOT- Transportation Trust Fund	240,000.00	240,000.00	240,000.00		-	
Total Public and Private Programs	<u>359,704.71</u>	<u>1,702,274.26</u>	<u>1,696,724.26</u>	<u>-</u>	<u>5,550.00</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	1,133,554.71	2,476,124.26	2,397,555.23	4,417.83	74,151.20	
Detail:						
Salaries and Wages	669,550.00	669,550.00	642,161.79		27,388.21	
Other Expenses	464,004.71	1,806,574.26	1,755,393.44	4,417.83	46,762.99	
CAPITAL IMPROVEMENTS						
Fire Vehicle & Equipment	53,000.00	53,000.00	53,000.00		-	
Emergency Vehicles & Equipment	70,000.00	70,000.00	70,000.00		-	
Improvement of Roads	250,000.00	250,000.00	152,233.80	97,766.20	-	
Purchase of Land for Open Space/Farmland Preservation					-	
Recreation Improvements	140,000.00	140,000.00	140,000.00		-	
Improvements to Municipal Building and Facilities	20,000.00	20,000.00	20,000.00		-	
Purchase of Public Works Vehicles and Equipment	62,000.00	62,000.00	1,305.00	60,695.00	-	
Improvements to Convenience Center	5,000.00	5,000.00	5,000.00		-	
Total Capital Improvements	<u>600,000.00</u>	<u>600,000.00</u>	<u>441,538.80</u>	<u>158,461.20</u>	<u>-</u>	<u>-</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEFERED CHARGES						
Deferred Charges to Future Taxation Unfunded:		-			-	
Ord#706 Additions and Renovations to Amb Bldg.	70,000.00	70,000.00	70,000.00			-
Ord#760 Purchase of Public Works Vehicle	10,000.00	10,000.00	10,000.00			-
Ord#739 Purchase of Land	18,000.00	18,000.00	18,000.00			-
Ord#778 Purchase of Basckhoe	10,000.00	10,000.00	10,000.00			
Total Deferred Charges	<u>108,000.00</u>	<u>108,000.00</u>	<u>108,000.00</u>	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>1,841,554.71</u>	<u>3,184,124.26</u>	<u>2,947,094.03</u>	<u>162,879.03</u>	<u>74,151.20</u>	-
SUBTOTAL GENERAL APPROPRIATIONS	<u>5,347,433.71</u>	<u>6,690,003.26</u>	<u>5,880,675.78</u>	<u>334,172.71</u>	<u>435,154.77</u>	<u>40,000.00</u>
(M) Reserve for Uncollected Taxes	<u>618,279.00</u>	<u>618,279.00</u>	<u>618,279.00</u>	-	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 5,965,712.71</u>	<u>7,308,282.26</u>	<u>6,498,954.78</u>	<u>334,172.71</u>	<u>435,154.77</u>	<u>40,000.00</u>
Budget Appropriations by 40A:4-87		5,965,712.71			Cancelled	40,000.00
		<u>1,342,569.55</u>			Overexpended	-
		<u>7,308,282.26</u>				<u>40,000.00</u>
Reserve for Uncollected Taxes			618,279.00			
Federal and State Grants			1,612,274.26			
Disbursements			<u>4,268,401.52</u>			
			<u>6,498,954.78</u>			

See accompanying Notes to Financial Statements - Regulatory Basis

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**EXHIBIT - B
TRUST FUND**

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 34,267.00	25,970.99
	<u>34,267.00</u>	<u>25,970.99</u>
<u>OTHER TRUST FUND</u>		
Cash and Investments	1,152,534.59	1,098,437.07
Interfunds and Receivables:		
Due from Current Fund	153.40	158.16
	<u>1,152,687.99</u>	<u>1,098,595.23</u>
	<u>1,186,954.99</u>	<u>1,124,566.22</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Interfunds and Payables:		
Due to Current Fund	10,253.60	4.85
Reserve for Dog Fund Expenditures	24,003.40	25,959.14
Due to State of New Jersey	10.00	7.00
	<u>34,267.00</u>	<u>25,970.99</u>
<u>OTHER TRUST FUND</u>		
Interfunds and Payables:		
Due to Current Fund	-	17.35
Reserve for:		
Developer's Escrow	326,540.38	371,033.82
Redemption of Outside Liens	23,153.93	33,560.78
Tax Sale Premiums	133,800.00	90,300.00
Municipal Alliance	5,623.21	6,570.38
Public Defender	22,590.92	6,160.92
Accumulated Absences	84,059.75	86,559.75
Board of Recreation	16,611.03	23,408.00
Storm Recovery	201,241.64	206,009.14
Affordable Housing	147,161.00	121,102.19
Landfill Closure	40,723.76	40,662.71
Uniform Fire Safety Penalty	283.02	283.02
Senior Center Donations	2,194.01	2,197.03
Small Cities Revolving Loan	109,300.10	89,726.89
Payroll Flex & SI	39,305.24	20,913.25
POAA	100.00	90.00
	<u>1,152,687.99</u>	<u>1,098,595.23</u>
	<u>\$ 1,186,954.99</u>	<u>1,124,566.22</u>

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EXHIBIT - C
GENERAL CAPITAL FUND

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Cash	\$ 1,078,513.60	602,656.88
Deferred Charges to Future Taxation - Unfunded	318,435.22	440,922.93
	<u>1,396,948.82</u>	<u>1,043,579.81</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	22,078.65	31,000.00
Interfunds:		
Due to Current Fund	170.77	58.99
Improvement Authorizations:		
Funded	-	-
Unfunded	-	113,680.83
Capital Improvement Fund	168,473.05	168,473.05
Reserve for Sanitary Landfill Closure	387,582.68	295,980.50
Reserve for Expansion of Facilities for Township Parks	1,667.94	1,667.94
Reserve for Purchase of Land - Farmland Preservation	11,151.03	11,151.03
Reserve for Purchase of Emergency & Fire Vehicle	96,711.00	-
Reserve for Improvements to Convenience Center	19,906.38	23,692.70
Reserve for Construction of a Senior Center	10,000.00	10,000.00
Reserve for Improvements to Roads	235,522.14	125,494.59
Reserve for Purchase of Public Works Vehicle	14,259.41	12,954.41
Reserve for Improvements to Municipal Buildings and Facilities	87,875.00	67,875.00
Reserve for Equipment Purchases - Volunteer Fire Companies	145,600.00	125,600.00
Reserve for Purchase of Playground Equipment	178,626.65	38,626.65
Fund Balance	17,324.12	17,324.12
	<u>\$ 1,396,948.82</u>	<u>1,043,579.81</u>

There were bonds and notes authorized but not issued at December 31 (C - 10)

2021	440,922.93
2022	318,435.22

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
Beginning Balance January 1	\$ 17,324.12	17,324.12
Increased by:		
None		
Decreased by:		
None		
Ending Balance December 31	\$ <u>17,324.12</u>	<u>17,324.12</u>

**EXHIBIT - D
WATER & SEWER
UTILITY FUND**

**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2022	2021
ASSETS		
Operating Fund:		
Cash	\$ 1,487,404.10	\$ 1,240,774.92
Interfunds and Receivables		
Due from Utility Capital Fund	147.35	111.88
Due from Current Fund	2,704.43	-
Due from Grant Fund	-	58,145.69
	1,490,255.88	1,299,032.49
Receivables and Other Assets with Full Reserves:		
Utility Accounts Receivable	437,323.78	317,167.73
	437,323.78	317,167.73
Total Operating Fund	1,927,579.66	1,616,200.22
Capital Fund:		
Cash - Treasurer	588,666.03	877,018.92
Fixed Capital - Complete	10,905,136.05	10,905,136.05
Fixed Capital - Authorized and Uncomplete	1,130,000.00	1,130,000.00
Total Capital Fund	12,623,802.08	12,912,154.97
	\$ 14,551,381.74	\$ 14,528,355.19

See accompanying Notes to Financial Statements - Regulatory Basis

**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2022</u>	<u>2021</u>
Operating Fund:		
Appropriation Reserves	\$ 165,878.92	\$ 38,772.67
Reserve for Encumbrances	49,403.49	65,633.34
Accounts Payable	500.00	-
Overpaid Utility Rents	8,113.64	7,351.82
Accrued Interest on Bonds and Notes	13,118.89	13,601.62
Interfunds:		
Due to Current Fund	-	1,113.06
	<u>237,014.94</u>	<u>126,472.51</u>
 Reserve for Receivables	 437,323.78	 317,167.73
Fund Balance	1,253,240.94	1,172,559.98
 Total Operating Fund	<u>1,927,579.66</u>	<u>1,616,200.22</u>
 Capital Fund:		
Encumbrances Payable	26,199.96	385,150.00
Loan Payable	4,541,309.41	4,696,519.43
Interfunds:		
Due to Utility Operating Fund	147.35	111.88
Improvement Authorizations:		
Funded	-	-
Unfunded	285,411.68	214,850.00
Reserve for Water Tower Repairs	44,682.54	44,682.54
Reserve for Love Lane Tower Improvements	117,765.54	117,765.54
Reserve for Radionuclide Treatment	126,450.01	126,450.01
Reserve for Water Valve Trailer	65,000.00	65,000.00
Reserve for Amortization	6,393,826.64	6,238,616.62
Deferred Reserve for Amortization	530,000.00	530,000.00
Capital Improvement Fund	438,045.23	438,045.23
Fund Balance	54,963.72	54,963.72
 Total Capital Fund	<u>12,623,802.08</u>	<u>12,912,154.97</u>
	<u>\$ 14,551,381.74</u>	<u>\$ 14,528,355.19</u>

There were bonds and notes authorized but not issued at December 31 (D - 15)

2021	570,000.00
2022	570,000.00

See accompanying Notes to Financial Statements - Regulatory Basis

WATER AND SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Revenue and Other Income Realized		
Fund Balance	\$ 273,000.00	\$ 223,950.00
Sewer Rents	1,063,774.93	984,567.55
Water Rents	932,443.29	903,920.15
Fire Suppression Line Fees	58,408.91	58,115.88
Tower Rental	52,070.00	54,054.00
Miscellaneous Revenue Not Anticipated	20,697.46	29,252.92
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	43,247.80	25,000.43
Encumbrances Payable Cancelled		
Total Income	2,443,642.39	2,278,860.93
Expenditures		
Operations	1,675,000.00	1,650,450.00
Capital Improvements	50,000.00	-
Debt Service	288,315.74	292,461.97
Deferred Charges and Statutory Expenditures	18,500.00	18,500.00
Cancelled Grant	58,145.69	-
Total Expenditures	2,089,961.43	1,961,411.97
Excess/(Deficit) in Revenue	353,680.96	317,448.96
Fund Balance January 1	1,172,559.98	1,079,061.02
	1,526,240.94	1,396,509.98
Decreased by:		
Utilization as Anticipated Revenue	273,000.00	223,950.00
Fund Balance December 31	\$ 1,253,240.94	\$ 1,172,559.98

See accompanying Notes to Financial Statements - Regulatory Basis

**WATER AND SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2022	2021
Beginning Balance January 1	\$ 54,963.72	54,963.72
Increased by:		
None		
Ending Balance December 31	\$ 54,963.72	54,963.72

See accompanying Notes to Financial Statements - Regulatory Basis

**WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 273,000.00	273,000.00	-
Sewer Rents	902,500.00	1,063,774.93	161,274.93
Water Rents	952,000.00	932,443.29	(19,556.71)
Fire Suppression Line Fees	46,000.00	58,408.91	12,408.91
Tower Rental	54,000.00	52,070.00	(1,930.00)
Miscellaneous Revenue Not Anticipated		20,697.46	20,697.46
	<u>\$ 2,227,500.00</u>	<u>2,400,394.59</u>	<u>172,894.59</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	\$ 1,988,866.40
Prepayments & Overpayments Applied	7,351.82
	<u>1,996,218.22</u>

Miscellaneous Revenue Not Anticipated

Interest on Investments	4,541.77
Interest & Costs on Utility	12,139.69
Water Meter Fees	4,016.00
	<u>\$ 20,697.46</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**WATER AND SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended, Unexpended Balance Cancelled)
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 228,000.00	228,000.00	210,235.10		17,764.90	
Other Expenses	790,000.00	790,000.00	644,530.51	49,403.49	96,066.00	
Sewerage Treatment Contract - Cumberland County Util. Auth. Matching Funds for Small Cities	760,000.00	760,000.00	656,074.75		925.25	103,000.00
Facilities Grant	20,000.00	20,000.00			-	20,000.00
	<u>1,798,000.00</u>	<u>1,798,000.00</u>	<u>1,510,840.36</u>	<u>49,403.49</u>	<u>114,756.15</u>	<u>123,000.00</u>
Capital Improvements:						
Capital Outlay	68,000.00	68,000.00			-	68,000.00
Improvements to Love Lane Facility	50,000.00	50,000.00			50,000.00	
	<u>118,000.00</u>	<u>118,000.00</u>	<u>-</u>	<u>-</u>	<u>50,000.00</u>	<u>68,000.00</u>
Debt Service:						
Payment of Bond Principal	155,500.00	155,500.00	155,210.02			289.98
Interest on Bonds	137,500.00	137,500.00	133,105.72			4,394.28
	<u>293,000.00</u>	<u>293,000.00</u>	<u>288,315.74</u>	<u>-</u>	<u>-</u>	<u>4,684.26</u>
Deferred Charges and Statutory Expenditures:						
Social Security System	17,500.00	17,500.00	16,441.65		1,058.35	
Unemployment Compensation Insurance	1,000.00	1,000.00	935.58		64.42	
	<u>18,500.00</u>	<u>18,500.00</u>	<u>17,377.23</u>	<u>-</u>	<u>1,122.77</u>	<u>-</u>
	<u>\$ 2,227,500.00</u>	<u>2,227,500.00</u>	<u>1,816,533.33</u>	<u>49,403.49</u>	<u>165,878.92</u>	<u>195,684.26</u>

See accompanying Notes to Financial Statements - Regulatory Basis

EXHIBIT - E
GENERAL FIXED ASSETS ACCOUNT GROUP

**GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Land Buildings and Improvements	\$ 1,795,996.32	1,795,996.32
Buildings and Improvements	7,621,850.52	7,621,850.52
Machinery and Equipment	6,088,910.05	6,074,425.05
Vehicles	<u>2,833,758.67</u>	<u>2,693,291.67</u>
	<u>18,340,515.56</u>	<u>18,185,563.56</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	\$ <u>18,340,515.56</u>	<u>18,185,563.56</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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NOTES TO THE FINANCIAL STATEMENTS

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Upper Deerfield include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Upper Deerfield, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

The Township of Upper Deerfield was incorporated in 1922. The Township is located in Cumberland County and is primarily a rural farming community, 31.4 square miles in size with a population of 7,702 according to the 2020 Federal Census.

The Township operates under a five-member Township Committee. The Township Committee appoints the Mayor at the annual reorganization meeting. The Mayor is the Chief Executive Officer of the Township and is assisted by the Township Committee.

B. Description of Funds

The accounting policies of the Township of Upper Deerfield 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 the respect to public funds. Under this method of accounting, the Township of Upper Deerfield accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Water and Sewer Operating and Capital Funds -- account for the operations of the Water and Sewer utility and acquisition of Water and Sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 policies in New Jersey follow a modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The entity has developed a fixed-assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$1,000.00 are capitalized. No depreciation has been provided for 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.

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

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Upper Deerfield to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period.

Levy of Utility Charges – The entity operates a Water and Sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on February 1, May 1, August 1 and November 1.

Interest on Delinquent Utility Charges - It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge one and one-half percent (1.5%) per month on charges becoming delinquent after due date. There is a ten-day grace period.

Capitalization of Interest -- It is the policy of the Township of Upper Deerfield to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods thereafter, will effect on the Township's financial reporting as its relates to disclosure of the Compensated Absence Liability.

**TOWNSHIP OF UPPER DEERFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2022 and 2021 statutory budgets included a reserve for uncollected taxes in the amount of \$618,279.00 and \$619,566.58. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$1,815,306.62 and \$1,459,070.44. In addition, the entity operates a self-liquidating Water and Sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$273,000.00 and \$223,950.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by The Township Committee. The following significant budget transfers were approved in the 2021 and 2020 calendar years:

	<u>2022</u>	<u>2021</u>
No Significant Transfers	-	-
	\$	

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2022 and 2021, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2022</u>	<u>2021</u>
Clean Communities Program	\$ 17,896.49	17,737.87
NJ Department of Transportation		-
ARP - Nitrate Removal System	761,673.06	-
Municipal Alliance		15,217.00
Small Cities Block Grant	563,000.00	507,000.00

Note 3: INVESTMENTS

As of December 31, 2022 and 2021, the municipality held no investments.

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**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The municipality’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2021, and 2020, \$329,214.05 of the municipality’s bank balance of \$9,504,801.61, and \$391,113.18 of the municipality’s bank balance of \$9,283,875.56, was exposed to custodial credit risk, respectively.

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2022 and 2021:

	Balance 12/31/2020	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2021
Land Buildings & Improvements	9,413,789.71	4,057.13	-	9,417,846.84
Machinery & Equipment	8,635,134.63	133,481.09	899.00	8,767,716.72
	<u>\$ 18,048,924.34</u>	<u>137,538.22</u>	<u>899.00</u>	<u>18,185,563.56</u>

	Balance 12/31/2021	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2022
Land Buildings & Improvements	9,417,846.84		-	9,417,846.84
Machinery & Equipment	8,767,716.72	154,952.00		8,922,668.72
	<u>\$ 18,185,563.56</u>	<u>154,952.00</u>	<u>-</u>	<u>18,340,515.56</u>

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**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/20	Issued	Retired	Balance 12/31/21
Bond Anticipation None	-	-	-	-

	Balance 12/31/21	Issued	Retired	Balance 12/31/22
Bond Anticipation None	-	-	-	-

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	4,840,764.49		144,245.06	4,696,519.43	155,210.02
Total	<u>4,840,764.49</u>	-	<u>144,245.06</u>	<u>4,696,519.43</u>	<u>155,210.02</u>
Compensated Absences Payable	<u>69,133.76</u>	<u>15,946.77</u>	<u>3,483.64</u>	<u>81,596.89</u>	<u>-</u>
Total long-term liabilities	<u>\$ 4,909,898.25</u>	<u>15,946.77</u>	<u>147,728.70</u>	<u>4,778,116.32</u>	<u>155,210.02</u>
	Balance 12/31/21	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	4,696,519.43	-	155,210.02	4,541,309.41	160,553.42
Total	<u>4,696,519.43</u>	-	<u>155,210.02</u>	<u>4,541,309.41</u>	<u>160,553.42</u>
Compensated Absences Payable	<u>81,596.89</u>	<u>4,275.69</u>	<u>585.73</u>	<u>85,286.85</u>	<u>-</u>
Total long-term liabilities	<u>\$ 4,778,116.32</u>	<u>4,275.69</u>	<u>155,795.75</u>	<u>4,626,596.26</u>	<u>160,553.42</u>

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the Township:

None.

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 7: LONG TERM DEBT - Continued

Outstanding bonds whose principal and interest are paid from the Water and Sewer Utility Operating Fund of the Township:

\$2,378,100.00 Farmers Home Administration Loan dated May 10, 1994, payable in semi-annual installments through May 10, 2034. Interest is paid semi-annually at a rate of 4.5% per annum. The balance remaining as of December 31, 2022, was \$1,144,013.87.

\$2,299,000.00 United States Department of Agriculture Rural Development Loan dated May 1, 2011, payable in semi-annual installments through May 1, 2051. Interest is paid semi-annually at a rate of 2.75% per annum. The balance remaining as of December 31, 2022, was \$1,870,781.92.

\$1,887,000.00 United States Department of Agriculture Rural Development Loan dated May 28, 2012, payable in semi-annual installments through May 28, 2052. Interest is paid semi-annually at a rate of 2% per annum. The balance remaining as of December 31, 2022, was \$1,526,513.62.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt and Issued and Outstanding

Year	General Capital Fund		Water & Sewer Utility Fund	
	Principal	Interest	Principal	Interest
2023	None	None	160,553.42	132,096.58
2024	None	None	166,099.62	126,550.38
2025	None	None	171,856.93	120,793.07
2026	None	None	177,833.87	114,816.13
2027	None	None	184,039.45	108,610.55
2028-2032	None	None	1,021,927.26	441,322.74
2033-2037	None	None	731,005.48	278,178.46
2037-2042	None	None	619,691.17	199,798.83
2043-2047	None	None	699,128.44	120,361.56
2048-2052	None	None	609,173.77	33,233.22
	None	None	4,541,309.41	1,675,761.52

As of December 31, 2022, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$0.00 and to the utility budget was \$133,105.72.

<u>Summary of Municipal Debt</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ -	\$ -	\$ -
Sewer Utility - Bonds and Notes	4,541,309.41	4,696,519.43	4,840,764.49
Total Issued	4,541,309.41	4,696,519.43	4,840,764.49
<u>Authorized but not issued:</u>			
General - Bonds and Notes	318,435.22	440,922.93	572,411.03
Sewer Utility - Bonds and Notes	570,000.00	570,000.00	-
Total Authorized But Not Issued	888,435.22	1,010,922.93	572,411.03
Total Bonds & Notes Issued and Authorized But Not Issued	\$ 5,429,744.63	\$ 5,707,442.36	\$ 5,413,175.52

**TOWNSHIP OF UPPER DEERFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 7: LONG TERM DEBT - Continued

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.045%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ -	-	-
Regional School District Debt	1,176,105.59	1,176,105.59	-
Sewer Utility Debt	5,111,309.41	5,111,309.41	-
General Debt	318,435.22	-	318,435.22
	<u>\$ 6,605,850.22</u>	<u>6,287,415.00</u>	<u>318,435.22</u>

Net Debt \$318,435.22 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$706,118,554.67 = 0.045%.

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Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 24,714,149.41
Net Debt	318,435.22
Remaining Borrowing Power	<u>\$ 24,395,714.19</u>

Calculation of "Self-Liquidating Purpose", Water and Water and Sewer Utility Per N.J.S.A. 40A:2-45:

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 2,443,642.39
Deductions:	
Operating & Maintenance Costs	\$ 1,675,000.00
Capital Improvements	50,000.00
Debt Service per Water and Sewer Utility Fund	288,315.74
Deferred Charges	18,500.00
Total Deductions	<u>2,031,815.74</u>
Excess in Revenue	<u>\$ 411,826.65</u>

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**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022 and 2021, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	\$ 1,815,306.62	1,459,070.44
Water and Sewer	273,000.00	223,950.00
Utility		

Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the Township has no deferred charges.

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$7,958,768.00 and \$7,804,042.00 have been raised for the 2022 and 2021 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

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

	<u>12/31/2022</u>	<u>12/31/2021</u>
Balance of Tax	\$ 1.00	\$ (12,433.50)
Deferred	-	-
Tax Payable	<u>\$ 1.00</u>	<u>\$ (12,433.50)</u>

Regional District School Tax in the amounts of \$4,136,155.00 and \$4,127,075.00 have been raised for the 2022 and 2021 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Regional District School Taxes have been raised resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Balance of Tax	\$ 3,628.00	\$ (7,609.50)
Deferred	-	-
Tax Payable	<u>\$ 3,628.00</u>	<u>\$ (7,609.50)</u>

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**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 11: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/22	Balance 12/31/21
Prepaid Taxes	\$ 553,662.83	\$ 451,205.31
Cash Liability for Taxes Collected in Advance	\$ 553,662.83	\$ 451,205.31

Note 12: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) a cost sharing multiple-employer defined benefit pension plan which has been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the system. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 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 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.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

PERS provided for employee contributions of 7.5% through June 30, 2020 and 7.5% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2022, 2021, and 2020 were \$176,979.00, \$153,165.00, and 143,597.00.

The total payroll for the year ended December 31, 2022, 2021 and 2020 was 1,836,203.02, \$1,725,169.33, and \$1,670,758.50. Payroll covered by PERS was \$1,177,278.00 for 2022.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) operates and to the benefit provisions of the system.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 12: PENSION FUNDS - Continued

- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

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**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 13: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2021:

Public Employees' Retirement System

The Municipality has a liability of \$1,790,242 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Municipality's proportion would be 0.00151119928%, which would be an increase of 15.60% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Municipality would have recognized pension expense of \$-176,979. At December 31, 2021, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 28,234	\$ (12,816)
Changes of assumptions	9,324	(637,338)
Changes in proportion	195,227	(235,882)
Net difference between projected and actual earnings on pension plan investments		(471,597)
Total	<u>\$ 232,785</u>	<u>\$ (1,357,633)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2022	\$	438,259
2023	\$	312,916
2024	\$	213,355
2025	\$	160,380
2026	\$	(62)
Total	<u>\$</u>	<u>1,124,848</u>

**TOWNSHIP OF UPPER DEERFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 13: PENSION LIABILITIES - Continued

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00% – 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (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 disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 13: PENSION LIABILITIES - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real estate	8.00%	9.15%
Real assets	3.00%	7.40%
High yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 2,191,253	\$ 1,790,242	\$ 1,450,360

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 14 – OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

The Municipality offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the Municipality these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation, where applicable, and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2021 were \$3,872,142,278 and \$14,177,910,609, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 14 – OTHER POST-RETIREMENT BENEFITS - Continued

the ratio of the plan members of an individual employer to the total members of the Plan’s non special funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2021 is as follows:

	June 30, 2021	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 18,050,052,887	\$ 3,591,238
Plan Fiduciary Net Position	50,271,652	10,002
Net OPEB Liability	<u>\$ 17,999,781,235</u>	<u>\$ 3,581,236</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.28%

At June 30, 2021 the Municipality’s proportionate share of the Collective Net OPEB Liability was \$4,433,886. The Municipality’s proportion of the Collective Net OPEB Liability was 0.019896% which was an decrease from the prior year of 5.76%.

For the Year ended June 30, 2021 the Municipality’s Total OPEB Expense was -\$165,419. The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases*:	
PERS Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS	
Rate for all future years	3.25% to 15.25%

Mortality:

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

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

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 14 – OTHER POST-RETIREMENT BENEFITS - Continued

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Collective			
Net OPEB Liability	\$ 21,182,289,882	\$ 17,999,781,235	\$ 15,447,574,697
Proportionate Share			
Net OPEB Liability	\$ 4,214,428	\$ 3,581,236	\$ 3,073,449

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 14 – OTHER POST-RETIREMENT BENEFITS - Continued

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Collective			
Net OPEB Liability	\$ 15,017,879,689	\$ 17,999,781,235	\$ 21,890,793,528
Proportionate Share			
Net OPEB Liability	\$ 2,987,957	\$ 3,581,236	\$ 4,355,392

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

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	<u>Collective Totals</u>		<u>Proportionate Share</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 403,893,589	\$ (3,765,820,027)	\$ 1,712	\$ (749,248)
Changes of assumptions	2,589,322,345	(3,181,672,721)	515,172	(633,026)
Net difference between projected and actual earnings on OPEB plan investments	8,606,416		80,359	
Changes in proportion and differences between contributions and proportionate share of contributions	5,534,468,995	(5,534,468,995)	239,646	(986,516)
Total	<u>\$ 8,536,291,345</u>	<u>\$ (12,481,961,743)</u>	<u>\$ 836,889</u>	<u>\$ (2,368,790)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30,</u>	<u>Collective Totals</u>	<u>Proportionate Share</u>
2022	\$ (1,074,753,405)	\$ (417,272)
2023	(1,076,167,210)	(417,820)
2024	(1,077,459,075)	(418,322)
2025	(769,416,743)	(298,725)
2026	(129,344,414)	(50,218)
Thereafter	181,470,449	70,456
Total	<u>\$ (3,945,670,398)</u>	<u>\$ (1,531,901)</u>

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

Collective OPEB Expenses reported by the State of New Jersey

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 14 – OTHER POST-RETIREMENT BENEFITS - Continued

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2021 are as follows:

Service cost	\$	846,075,674
Interest on Total OPEB Liability		413,837,061
Expected Investment Return		(2,381,937)
Administrative Expenses		11,334,383
Changes of Benefit Terms		2,029,119
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:		
Differences between Expected and Actual Experience		(703,565,089)
Changes in Assumptions		(375,284,907)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments		4,971,262
Total Collective OPEB Expense	\$	<u>197,015,566</u>

Schedule of Municipality's Share of Net OPEB Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Borough's Proportionate Share of Net OPEB Liability	\$ 0.019896%	0.021113%	0.019672%
Borough's Share of Net OPEB Liability	3,581,236.00	3,789,068.00	2,664,783.00
Borough's Covered Payroll	N/A	N/A	N/A
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.97%	1.97%

Note 15: ECONOMIC DEPENDENCY

The Township of Upper Deerfield is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

Note 16: RISK MANAGEMENT

The entity is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2022 and 2021 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**TOWNSHIP OF UPPER DEERFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 17: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity’s management, other than the Tax Appeal listed below, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2022, the following inter-funds were included on the balance sheets of the various funds of the Township of Upper Deerfield:

	Due From	Due To
	<u> </u>	<u> </u>
Current Fund:		
Grant Fund	374,029.65	-
Trust - Other Fund	64.68	-
General Capital	170.77	-
Animal Control	10,253.60	-
Sewer Operating Fund	-	2,704.43
Grant Fund:	-	-
Current Fund	-	374,029.65
Trust Fund:	-	-
Current Fund	-	10,318.28
General Capital Fund:	-	-
Current Fund	-	170.77
Sewer Operating:	-	-
Current Fund	2,704.43	-
Grant Fund	-	-
General Capital	-	-
Sewer Capital Fund	147.35	-
Sewer Capital Fund:	-	-
Current Fund	-	-
Sewer Operating Fund	-	147.35
	<u>387,370.48</u>	<u>387,370.48</u>

The amounts due to the Grant fund from the Current fund is due to there is only one bank account for the Current Fund and the Grant Fund. The interfund that exists between the Grant and Sewer Operating Fund is a result of funds remaining from the prior year that need to be transferred. The remaining inter-funds are due to amounts from prior years that should have been transferred to the proper bank accounts.

Note 19: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through September 1, 2023, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

To the Honorable Mayor and
Members of the Township Committee
Township of Upper Deerfield
County of Cumberland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the Township of Upper Deerfield, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 1, 2023 which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Upper Deerfield 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 (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report on Internal Control over Financial Reporting

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

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 entity'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.

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

September 1, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT **ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER** **COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and
Members of Township Committee
Township of Upper Deerfield
County of Cumberland, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Township of Upper Deerfield's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2022. The Township of Upper Deerfield'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 of Upper Deerfield complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and 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, OMB Circular Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of this report.

We are required to be independent of the Township of Upper Deerfield 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 Borough'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 its 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 of Upper Deerfield'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*, the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 Township of Upper Deerfield'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 Township of Upper Deerfield'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 Township of Upper Deerfield'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 Township of Upper Deerfield'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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

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 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 OMB Circular Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

September 1, 2023

**SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Period		Program or Award Amount	Receipts or Revenue Recognized	Budgetary Expenditures		(MEMO) Passed Through to Sub-Recipients
		From	To			Pass Through Source	Total	
FEDERAL:								
U.S. Department of Treasury: Passed thru New Jersey Department of Community Affairs: ARP - Coronavirus State and Local Fiscal Recovery Funds	21.027	3/3/2021	12/31/2024	\$ 761,673.06	\$ 380,836.53	761,673.06	-	-
Total U.S. Department of Treasury					380,836.53	761,673.06	-	-
U.S. Department of Housing and Urban Development: Small Cities - CDBG - Public Facilities - 2020 Small Cities - CDBG - Public Facilities - 2021 Small Cities - CDBG - Public Facilities - 2022 Small Cities - CDBG - Housing Rehabilitation - 2020 Small Cities - CDBG - Housing Rehabilitation - 2021 Small Cities - CDBG - Housing Rehabilitation - 2022	14.218	1/1/2020	Open	254,822.75	269.00	-	-	-
	14.218	1/1/2021	Open	400,000.00	85,768.57	93,904.50	93,904.50	-
	14.218	1/1/2022	Open	400,000.00		4,950.00	4,950.00	-
	14.218	1/1/2020	Open	129,605.00	60,599.00	102,090.25	102,090.25	-
	14.218	1/1/2021	Open	107,000.00		36,068.75	36,068.75	-
	14.218	1/1/2022	Open	163,000.00		4,200.00	4,200.00	-
Total U.S. Department of Housing and Urban Development:					146,636.57	241,213.50	241,213.50	-
Total Federal Assistance					\$ 527,473.10	\$ 1,002,886.56	\$ 1,002,886.56	\$ -

**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of Expenditure of Federal Awards includes the federal grant activity of the Township of Upper Deerfield State of New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Encumbrances are considered in determining the single audit threshold on major programs. The Township has elected not to use the 10% de minimis indirect cost rate.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Receipts from state grants are realized as revenue when anticipated in the Township's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Township's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services as follows:

Expenditures per Schedule of Federal Awards	\$ 1,002,886.56
Less: American Rescue Plan	(761,673.06)
Plus: State Grants	385,979.63
Expenditures reported on Schedule A-12	<u>\$ 627,193.13</u>

TOWNSHIP OF UPPER DEERFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022

I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: **Adverse GAAP Opinion**
Unmodified Regulatory Basis Opinion

Internal control over financial reporting:

1) Material Weakness identified? **NONE REPORTED**

2) Significant Deficiencies? **NONE REPORTED**

Non-Compliance material to Financial Statements – Regulatory Basis noted? **NO**

Federal Awards

Internal control over major programs:

1) Material Weakness identified? **NONE REPORTED**

2) Significant Deficiencies identified? **NONE REPORTED**

Type of auditor’s report issued on compliance for major programs: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? **NO**

Identification of major programs:

21.027 **ARP - Coronavirus State and Local Fiscal Recovery Funds**

Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**

Auditee qualified as low-risk Auditee? **NO**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no finding relating to the financial statements – regulatory basis that is required to be reported under this section.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Federal: Our audit disclosed no material Findings or Questioned Costs.

TOWNSHIP OF UPPER DEERFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022
(CONTINUED)

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2021	\$ 5,381,007.60	-
Increased by Receipts:		
Tax Collector	21,158,974.84	
Revenue Accounts Receivable	2,433,449.21	
Miscellaneous Revenue	1,336,967.81	
Due from State of NJ - Seniors & Vets	77,500.00	
Due from State of NJ - Homestead Rebates	302,292.67	
Reserve for Municipal Property Relief Act	70,678.82	
Uniform Construction DCA Fees	32,422.00	
Uniform Construction Fees - Fairfield Township	50,200.00	
Uniform Construction Fees - Hopewell Township	63,341.00	
Due from Current Fund		666,175.36
Due from Current - Matching Funds		84,450.00
Due from Utility Operating	3,817.49	
Due from Trust Funds:		
Due to Developers Escrow	59.92	
Federal and State Unappropriated		380,836.53
Federal and State Grant Receivables		257,404.30
	25,529,703.76	1,388,866.19
	30,910,711.36	1,388,866.19

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Decreased by Disbursements:		-
Current Year Appropriation	4,268,401.52	
Prior Year Appropriations	288,801.89	
County Taxes	8,381,331.32	
Local District School Taxes	7,946,333.50	
Regional School Taxes	4,124,917.50	
Uniform Construction DCA Fees	30,408.00	
Uniform Construction Fees - Fairfield Township	52,199.00	
Uniform Construction Fees - Hopewell Township	66,737.00	
Payroll Taxes Payable	4,501.28	
Tax Appeals	100,361.75	
Due from Utility Capital Fund		761,673.06
Due from Grant Fund	666,175.36	
Due from To Trust Funds:		
General Capital Fund	111.78	
Public Defender	2.91	
Tax Title Lien Fund	20.69	
Accumulated Absences	11.90	
Senior Citizen Center	0.27	
Recreation	2.05	
Storm Recovery	4.22	
Uniform Fire Safety	0.03	
Supplemental Insurance	1.09	
Payroll	1.80	
POAA	0.12	
Flex Trust	2.25	
Due from Animal Control	10,248.75	
Federal and State Grant Disbursements		627,193.13
	25,940,575.98	1,388,866.19

Balance December 31, 2022

\$

4,970,135.38

-

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2021		\$	-
Increased by Receipts:			
Prepaid Taxes	553,662.83		
Taxes Receivable	20,561,509.57		
Tax Title and Other Liens	23,647.31		
Overpayments	20,155.13		
			21,158,974.84
			21,158,974.84
Payments to Treasurer			21,158,974.84
Balance December 31, 2022		\$	-

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2021		\$ 275,500.27
Increased by:		
Transfers from Taxes Receivable	111,544.47	
Other	273.23	
		111,817.70
		387,317.97
Decreased by:		
Collections	23,647.31	
		23,647.31
Balance December 31, 2022		\$ <u><u>363,670.66</u></u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2021	Accrued in 2021	Collected in Prior Year	Current Year	Balance Dec. 31, 2022
Energy Receipts Tax	\$ 1,354,938.00	1,354,938.00		1,354,938.00	-
Municipal Court	3,795.14	54,087.57		57,882.71	(0.00)
Cumberland Salem Regional Court		273,143.50		273,143.50	-
Pittsgrove Township - Financial Administration		44,517.00		44,517.00	-
Uniform Construction Code Fees		134,300.00		134,300.00	-
Uniform Fire Safety Act		23,141.81		23,141.81	-
Emergency Medical Services - Billings		339,496.19		339,496.19	-
Lawrence Township - Zoning/Housing		8,980.00		8,980.00	-
Deerfield Township - Uniform Construction Code		58,568.00		58,568.00	-
Fairfield Township - Uniform Construction Code		48,000.00		48,000.00	-
Stow Creek Township - Uniform Construction Code		11,367.00		11,367.00	-
Shiloh Township - Uniform Construction Code		6,938.00		6,938.00	-
Hopewell Township - Uniform Construction Code		59,750.00		59,750.00	-
Greenwich Township - Uniform Construction Code		12,427.00		12,427.00	-
Miscellaneous Revenue Not Anticipated		1,336,967.81		1,336,967.81	-
	<u>\$ 3,795.14</u>	<u>3,766,621.88</u>	<u>-</u>	<u>3,770,417.02</u>	<u>(0.00)</u>
		Current Year Collections		3,770,417.02	
		Prior Year Collections		<u>-</u>	
				<u>3,770,417.02</u>	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT:				
General Administration	\$ 1,794.40	1,794.40		1,794.40
Salaries and Wages	5,430.73	5,430.73	568.03	4,862.70
Other Expenses				
Mayor and Township Committee				
Salaries and Wages	68.00	68.00		68.00
Other Expenses	22.58	22.58	(100.00)	122.58
Municipal Clerk				
Salaries and Wages	1,428.87	1,428.87	-	1,428.87
Other Expenses	13,797.29	13,797.29	439.00	13,358.29
Financial Administration				
Salaries and Wages	1,223.70	1,223.70		1,223.70
Other Expenses	1,707.10	1,707.10		1,707.10
Audit Services				
Other Expenses	18,250.00	18,250.00	18,000.00	250.00
Revenue Administration				
Salaries and Wages	11,692.54	11,692.54		11,692.54
Other Expenses	1,056.55	1,056.55	1,011.11	45.44
Tax Assessment				
Other Expenses	14,889.65	14,889.65	651.48	14,238.17
Legal Services and Costs				
Other Expenses	22,839.51	22,839.51	630.75	22,208.76
Engineering Services and Costs				
Other Expenses	1,045.33	1,045.33		1,045.33
Economic Development				
Salaries and Wages	430.00	430.00		430.00
Other Expenses	5,145.75	5,145.75		5,145.75
Historic Commission				
Salaries and Wages	290.00	290.00		290.00
Other Expenses	2,052.90	2,052.90		2,052.90

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
LAND USE ADMINISTRATION:				
Municipal Land Use Law (NJSA 40:55D-1)				
Planning Board				
Salaries and Wages	8,875.00	8,875.00		8,875.00
Other Expenses	35,783.50	35,783.50	5,248.75	30,534.75
Zoning Officer				
Salaries and Wages	714.77	714.77		714.77
Other Expenses	10,926.51	10,926.51		10,926.51
CODE ENFORCEMENT AND ADMINISTRATION:				
Housing Official	-			
Salaries and Wages	2,000.00	2,000.00		2,000.00
INSURANCE:				
Liability Insurance	2,901.02	2,901.02		2,901.02
Workers' Compensation	6,502.98	6,502.98		6,502.98
Employee Group Insurance	58,846.20	58,846.20	34,225.84	24,620.36
Payments in Lieu of Benefits	3,837.12	3,837.12		3,837.12
PUBLIC SAFETY				
Emergency Management Services				
Salaries and Wages	29.04	29.04		29.04
Other Expenses	3,624.51	3,624.51	3,500.00	124.51
Aid to Volunteer Fire Companies				
Other Expenses	29,262.82	29,262.82	25,523.37	3,739.45
Utilities	12,469.36	12,469.36	3,142.91	9,326.45
Aid to First Aid Organizations				
Other Expenses	2,037.02	2,037.02		2,037.02
Ambulance				
Other Expenses	6,590.85	6,590.85		6,590.85
Utilities	4,536.75	4,536.75	2,568.68	1,968.07
Fire Safety Official				
Other Expenses	2,260.15	2,260.15	1,672.56	587.59
Municipal Prosecutor				
Other Expenses	1,500.00	1,500.00		1,500.00

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance	Balance	Balance	Paid or Charged	Balance Lapsed
	Dec. 31, 2021	After Transfers	After Transfers		
PUBLIC WORKS FUNCTIONS					
Streets and Roads					
Salaries and Wages	5,152.95	5,152.95	5,152.95		5,152.95
Other Expenses	18,730.24	18,730.24	18,730.24	8,155.89	10,574.35
Utilities	3,152.63	3,152.63	3,152.63	1,718.05	1,434.58
Snow Removal					
Salaries and Wages	5,309.78	5,309.78	5,309.78		5,309.78
Other Expenses	50,710.57	50,710.57	50,710.57	2,777.12	47,933.45
Shade Tree Commission					
Other Expenses	8,000.00	8,000.00	8,000.00		8,000.00
Solid Waste Convenience Center					
Salaries and Wages	9,173.58	9,173.58	9,173.58		9,173.58
Other Expenses	3,966.26	3,966.26	3,966.26	100.00	3,866.26
Utilities	1,362.61	1,362.61	1,362.61	1,362.51	0.10
Buildings and Grounds					
Salaries and Wages	8,970.06	8,970.06	8,970.06		8,970.06
Other Expenses	5,187.29	5,187.29	5,187.29	859.52	4,327.77
Utilities	2,363.37	2,363.37	2,363.37	1,994.32	369.05
HEALTH AND HUMAN SERVICES:					
Board of Health					
Salaries and Wages	629.22	629.22	629.22		629.22
Other Expenses	1,647.33	1,647.33	1,647.33	233.00	1,414.33
Environmental Committee					
Other Expenses	2,418.35	2,418.35	2,418.35		2,418.35
Animal Control					
Salaries and Wages	19.92	19.92	19.92		19.92
Other Expenses	7,488.80	7,488.80	7,488.80	2,075.00	5,413.80

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
PARKS AND RECREATION FUNCTIONS:				
Senior Center				
Salaries and Wages	5,998.11	5,998.11		5,998.11
Other Expenses	1,123.20	1,123.20	247.00	876.20
Utilities	4,372.33	4,372.33	637.16	3,735.17
Maintenance of Parks				
Salaries and Wages	9,557.32	9,557.32		9,557.32
Other Expenses	18,510.16	18,510.16	5,011.35	13,498.81
Utilities	1,839.76	1,839.76	70.95	1,768.81
Bostwick Lake Commission				
Other Expenses	4,500.00	4,500.00		4,500.00
UTILITY EXPENSES & BULK PURCHASES				
Street Lighting	14,744.94	14,744.94	13,409.01	1,335.93
SOLID WASTE DISPOSAL COSTS				
Landfill Disposal Costs				
Other Expenses	21,121.81	21,121.81	7,179.36	13,942.45
MUNICIPAL COURT				
Municipal Court				
Salaries and Wages	15,382.74	15,382.74		15,382.74
Other Expenses	23,944.55	23,944.55	9,397.56	14,546.99
Public Defender				
Salaries and Wages	7,500.00	7,500.00		7,500.00
Other Expenses	37.50	37.50		37.50
UNIFORM CONSTRUCTION CODE				
Construction Official				
Salaries and Wages	1,118.63	1,118.63		1,118.63
Other Expenses	27,984.25	27,984.25		27,984.25
Building Sub-code				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Fire Sub-code				
Salaries and Wages	2,550.00	2,550.00		2,550.00
Elevator Sub-code				
Salaries and Wages	1,000.00	1,000.00		1,000.00

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
DEFERRED CHARGES & STATUTORY EXPENDITURES				
Contribution to:				
Social Security System	8,169.21	8,169.21		8,169.21
Unemployment Compensation	1,751.91	1,751.91		1,751.91
Defined Contribution Retirement Program	1,205.41	1,205.41		1,205.41
SHARED SERVICES AGREEMENTS				
Construction Code				
Salaries and Wages	358.75	358.75		358.75
Other Expenses	7,799.11	7,799.11	36.00	7,763.11
Cumberland Salem Regional Court				
Salaries and Wages	66.33	66.33		66.33
Other Expenses	2,865.40	2,865.40		2,865.40
Financial Administration				
Salaries and Wages	3,367.96	3,367.96		3,367.96
Other Expenses	275.25	275.25		275.25
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES				
Ambulance				
Salaries and Wages	4,163.89	4,163.89		4,163.89
Other Expenses	22,492.65	22,492.65	7,506.11	14,986.54
CAPITAL IMPROVEMENTS				
Purchase of Public Works Vehicles and Equipment	24,250.00	24,250.00	24,250.00	-
Improvements to Roads	104,699.50	104,699.50	104,699.50	-
	<u>\$ 774,396.13</u>	<u>774,396.13</u>	<u>288,801.89</u>	<u>485,594.24</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2021		
School Tax Payable	\$	(12,433.50)
School Tax Deferred		
		\$ (12,433.50)
Increased by:		
Levy - School Year July 1 to June 30		7,958,768.00
		7,946,334.50
Decreased by:		
Payments		7,946,333.50
Balance December 31, 2022		
School Tax Payable	1.00	
School Tax Deferred	-	
		1.00
Current Year Liability for Local School District School Tax:		
Tax Paid		7,946,333.50
Tax Payable Ending		1.00
		7,946,334.50
Less: Tax Payable Beginning		(12,433.50)
Amount charged to Current Year Operations	\$	7,958,768.00

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX**

Balance December 31, 2021		
School Tax Payable	\$ (7,609.50)	
School Tax Deferred		
		\$ (7,609.50)
Increased by:		
Levy - School Year July 1 to June 30		<u>4,136,155.00</u>
		4,128,545.50
Decreased by:		
Payments		<u>4,124,917.50</u>
Balance December 31, 2022		
School Tax Payable	3,628.00	
School Tax Deferred		
		<u>3,628.00</u>
Current Year Liability for Local School District School Tax:		
Tax Paid		4,124,917.50
Tax Payable Ending		<u>3,628.00</u>
		4,128,545.50
Less: Tax Payable Beginning		<u>(7,609.50)</u>
Amount charged to Current Year Operations		<u>\$ 4,136,155.00</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2021	Transferred From Revenues	Received	Adjustments	Balance Dec. 31, 2022
FEDERAL GRANTS:					
Small Cities - Facilities	\$ 269.00		269.00		-
Small Cities - Facilities - 2021	400,000.00		85,768.57		314,231.43
Small Cities - Facilities - 2022		400,000.00			400,000.00
Small Cities - Utility	435,710.00			435,710.00	-
Small Cities - Rehabilitation	81,222.00		60,599.00		20,623.00
Small Cities - Rehabilitation - 2021	107,000.00				107,000.00
Small Cities - Rehabilitation - 2022		163,000.00			163,000.00
Total Federal	<u>1,024,201.00</u>	<u>563,000.00</u>	<u>146,636.57</u>	<u>435,710.00</u>	<u>1,004,854.43</u>
STATE GRANTS:					
NJ Transportation Trust Fund Auth Act of 1984:					
DOT - Roberts, Charles & Pleasant	62,791.00				62,791.00
DOT - 2020	63,767.50		63,767.50		-
DOT - Love, Maple & Midway	279,100.00				279,100.00
DOT - 2022		240,000.00			240,000.00
Recycling Tonnage Grant - 2022		14,487.71	14,487.71		-
Clean Communities - 2022		17,896.49	17,896.49		-
Municipal Alliance	9,045.64		9,478.48		9,045.64
Municipal Alliance - 2021	9,478.48				-
County of Cumberland - Alliance for Substance Abuse Prevention Program		15,217.00	5,137.55		10,079.45
Total State	<u>424,182.62</u>	<u>287,601.20</u>	<u>110,767.73</u>	<u>-</u>	<u>601,016.09</u>
\$	<u>1,448,383.62</u>	<u>850,601.20</u>	<u>257,404.30</u>	<u>435,710.00</u>	<u>1,605,870.52</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2021		2022		Encumbrances	Adjustment	Balance Dec. 31, 2022
	Appropriated	Encumbrances	Appropriations	Disbursed			
FEDERAL GRANTS:							
Small Cities - Facilities - 2021	\$ 377,918.75	14,300.00		93,904.50	298,314.25	-	-
Small Cities - Facilities - 2022			460,000.00	4,950.00	260,254.95		194,795.05
Small Cities - Utility	377,564.31					377,564.31	-
Small Cities - Rehabilitation	93,465.25	8,625.00		102,090.25			-
Small Cities - Rehabilitation - 2021	91,000.00	11,500.00		36,068.75	9,240.00		57,191.25
Small Cities - Rehabilitation - 2022			187,450.00	4,200.00	11,800.00		171,450.00
ARP - Nitrate Removal System			761,673.06			761,673.06	-
Total Federal	939,948.31	34,425.00	1,409,123.06	241,213.50	579,609.20	1,139,237.37	423,436.30
STATE GRANTS:							
NJ Transportation Trust Fund Auth Act of 1984:							
DOT - 2020	3,955.16			3,955.16			-
DOT - Love, Maple & Midway	279,100.00			279,100.00			-
DOT - 2022			240,000.00	49,648.19			190,351.81
Alcohol Education & Rehabilitation	180.75			14,487.71			180.75
Recycling Tonnage Grant - 2022				7,000.00			-
Clean Communities		7,000.00		3,998.97			-
Clean Communities - 2021	2,933.97	1,065.00		14,444.59			3,451.90
Clean Communities - 2022			17,896.49	13,345.01	6,537.38		(0.00)
Municipal Alliance	7,917.33	11,965.06			7,299.67		5,756.86
Municipal Alliance - 2021	13,056.53						
County of Cumberland - Alliance for Substance Abuse Prevention Program			15,217.00				15,217.00
Total State	307,143.74	20,030.06	287,601.20	385,979.63	13,837.05	-	214,958.32
	1,247,092.05	54,455.06	1,696,724.26	627,193.13	593,446.25	1,139,237.37	638,394.62

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred To Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2022</u>
FEDERAL GRANTS:				
American Rescue Plan	\$ 380,836.53	761,673.06	380,836.53	-
Total State	<u>\$ 380,836.53</u>	<u>761,673.06</u>	<u>380,836.53</u>	<u>-</u>

**TRUST FUND
SCHEDULE OF DOG TRUST CASH - TREASURER**

Balance December 31, 2021		\$	25,970.99
Increased by:			
Cash Receipts for:			
Dog Licenses Collected	11,005.80		
Interest	61.85		
Due to State of NJ	1,048.20		
			12,115.85
			38,086.84
Decreased by:			
Cash Disbursed for:			
Dog Fund Expenditures	2,727.59		
Due from State of New Jersey	1,045.20		
Due to Current Fund	47.05		
			3,819.84
Balance December 31, 2022		\$	34,267.00

**TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2021		\$	1,098,437.07
Increased by:			
Cash Receipts for:			
Other Reserves:			
Interest on Investments	235.89		
Due to / from Current Fund	12,429.00		
Other Receipts	1,173,247.68		
			1,185,912.57
			2,284,349.64
Decreased by:			
Cash Disbursed for:			
Due to / from Current Fund	12,441.59		
Other Reserves	1,119,373.46		
			1,131,815.05
Balance December 31, 2022		\$	1,152,534.59

**TRUST FUND
ANIMAL CONTROL FUND - RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2021		\$	25,959.14
Increased by:			
Dog License - Cash Receipts	11,005.80		
			11,005.80
			36,964.94
Decreased by:			
Statutory Excess Due to Current Fund	10,233.95		
Cash Disbursed	2,727.59		
			12,961.54
Balance December 31, 2022		\$	24,003.40

Fees Collected				
	2020	11,846.40		
	2021	12,177.00		
		24,023.40		

**TRUST FUND
ANIMAL CONTROL FUND - DUE TO STATE OF NEW JERSEY**

Balance December 31, 2021		\$	7.00
Increased by:			
Cash Receipts	1,048.20		
			1,048.20
			1,055.20
Decreased by:			
Cash Disbursed	1,045.20		
			1,045.20
Balance December 31, 2022		\$	10.00

**TRUST FUND
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2021	Interest on Investments	Other Cash Receipts	Cash Disbursed	Balance Dec. 31, 2022
Developer's Escrow	\$ 371,033.82		32,272.03	76,765.47	326,540.38
Redemption for Outside Liens	33,560.78		83,388.33	93,795.18	23,153.93
Tax Sale Premiums	90,300.00		79,800.00	36,300.00	133,800.00
Municipal Alliance	6,570.38		3,569.33	4,516.50	5,623.21
Public Defender	6,160.92		16,430.00		22,590.92
Accumulated Absences	86,559.75		5,000.00	7,500.00	84,059.75
Board of Recreation	23,408.00		30,628.50	37,425.47	16,611.03
Storm Recovery	206,009.14			4,767.50	201,241.64
Affordable Housing	121,102.19		29,236.12	3,177.31	147,161.00
Landfill Closure	40,662.71	61.05			40,723.76
Uniform Fire Safety Penalty	283.02				283.02
Senior Center Donations	2,197.03			3.02	2,194.01
Small Cities Revolving Loan	89,726.89	174.84	44,354.76	24,956.39	109,300.10
POAA	90.00		10.00		100.00
Payroll Flex & SI	20,913.25		848,558.61	830,166.62	39,305.24
	<u>\$ 1,098,577.88</u>	<u>235.89</u>	<u>1,173,247.68</u>	<u>1,119,373.46</u>	<u>1,152,687.99</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2021		\$	602,656.88
Increased by:			
Due to Current Fund	393,155.33		
Budget Appropriation			
Ordinance 706, 739, 760, 778	108,000.00		
Grant Proceeds	14,487.71		
			515,643.04
			1,118,299.92
Decreased by:			
Prior Year Encumbrances	31,000.00		
Reserve for Improvements to Convenience Center	8,786.32		
			39,786.32
Balance December 31, 2022		\$	1,078,513.60

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2021	Disbursements		Transfers		Balance Dec. 31, 2022
		Receipts Miscellaneous	Miscellaneous	From	To	
Capital Improvement Fund	\$ 168,473.05					168,473.05
Reserve for Sanitary Landfill Closure	295,980.50				91,602.18	387,582.68
Reserve for Expansion of Facilities for Township Parks	1,667.94					1,667.94
Reserve for Purchase of Land - Farmland Preservation	11,151.03					11,151.03
Reserve for Improvements to Convenience Center	23,692.70		8,786.32		5,000.00	19,906.38
Reserve for Construction of a Senior Center	10,000.00					10,000.00
Reserve for Improvements to Roads	125,494.59				110,027.55	235,522.14
Reserve for Purchase of Public Works Vehicle	12,954.41				1,305.00	14,259.41
Reserve for Improvements to Municipal Buildings and Facilities	67,875.00				20,000.00	87,875.00
Reserve for Equipment Purchases - Volunteer Fire Companies	125,600.00				20,000.00	145,600.00
Reserve for Purchase of Emergency & Fire Vehicle					96,711.00	96,711.00
Reserve for Purchase of Playground Equipment	38,626.65				140,000.00	178,626.65
Due to Current Fund	58.99	393,155.33		393,043.55		170.77
Encumbrances	31,000.00		31,000.00		22,078.65	22,078.65
Fund Balance	17,324.12					17,324.12
<u>Improvement Authorizations:</u>						
706 Additions and Renovations to the Ambulance Building	(214,020.84)	70,000.00				(144,020.84)
711 Purchase and Installation of Replacement	91,602.18			91,602.18		-
739 Acquisition of Lands	(99,000.00)	18,000.00				(81,000.00)
760 Purchase of Public Works Vehicle	(62,902.09)	24,487.71				(38,414.38)
778 Purchase of Backhoe	(65,000.00)	10,000.00				(55,000.00)
813 Improvement to Roads	22,078.65			22,078.65		-
	<u>\$ 602,656.88</u>	<u>515,643.04</u>	<u>39,786.32</u>	<u>506,724.38</u>	<u>506,724.38</u>	<u>1,078,513.60</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2021		\$	168,473.05
Increased by:			
Cancellation of Funded Ordinances	-		
			-
			168,473.05
Decreased by:			
None			
			-
Balance December 31, 2022		\$	168,473.05

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord #	Improvement Description	Balance Dec. 31, 2021	Raised in 2022 Budget	Other	Balance Dec. 31, 2022	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorizations
706	Additions and Renovations to the Ambulance Building	\$ 214,020.84	70,000.00		144,020.84	144,020.84	-
739	Acquisition of Lands	99,000.00	18,000.00		81,000.00	81,000.00	-
760	Purchase of Public Works Vehicle	62,902.09	10,000.00	14,487.71	38,414.38	38,414.38	-
778	Purchase of Backhoe	65,000.00	10,000.00		55,000.00	55,000.00	-
		<u>\$ 440,922.93</u>	<u>108,000.00</u>	<u>14,487.71</u>	<u>318,435.22</u>	<u>318,435.22</u>	<u>-</u>

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Authorizations

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2021		Other Funding	Paid or Charged	Cancelled	Balance December 31, 2022	
				Funded	Unfunded				Funded	Unfunded
711	Sanitary Landfill Closure	5/15/2014	125,000	\$	91,602.18		\$ 91,602.18			-
813	Improvements to Roads	10/3/2019	220,000		22,078.65		22,078.65			-
				\$	<u>-</u>	<u>-</u>	<u>113,680.83</u>	<u>-</u>	<u>-</u>	<u>-</u>
					Cash Disbursed		\$ -			
					Transfer to:					
					Reserve for Sanitary Landfill Closure		91,602.18			
					Current Year Encumbrances		<u>22,078.65</u>			
							<u>\$ 113,680.83</u>			

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	Grant Received	Budget Appropriation	Balance Dec. 31, 2022
706	Additions and Renovations to the Ambulance Building	\$ 214,020.84		70,000.00	144,020.84
739	Acquisition of Lands	99,000.00		18,000.00	81,000.00
760	Purchase of Public Works Vehicle	62,902.09	14,487.71	10,000.00	38,414.38
778	Purchase of Backhoe	65,000.00		10,000.00	55,000.00
		<u>\$ 440,922.93</u>	<u>14,487.71</u>	<u>108,000.00</u>	<u>318,435.22</u>

**WATER AND SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER**

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2021	\$ 1,240,774.92	\$ 877,018.92
Increased by Receipts:		
Water & Sewer Accounts Receivable	1,988,866.40	
Miscellaneous Revenue Anticipated	110,478.91	
Miscellaneous Revenue Not Anticipated	20,697.46	
Overpaid Utility Rents	8,113.64	
Reserve for Nitrate Removal Sysytem - ARP		761,673.06
Due to Utility Capital Fund	28,954.64	
Due to Utility Operating Fund		28,990.11
	<u>2,157,111.05</u>	<u>790,663.17</u>
	3,397,885.97	1,667,682.09
Decreased by Disbursements:		
Current Year Appropriation	1,683,427.61	
Prior Year Appropriations	60,658.21	
Improvement Authorizations		
Reserve for Nitrate Removal Sysytem - ARP		761,673.06
Encumbrances Payable		288,388.36
Reserve for Sinking Fund		
Accrued Interest on Bonds	133,588.45	
Due to Current Fund	3,817.49	
Due to Utility Operating Fund		28,954.64
Due from Utility Capital Fund	28,990.11	
	<u>1,910,481.87</u>	<u>1,079,016.06</u>
Balance December 31, 2022	<u>\$ 1,487,404.10</u>	<u>\$ 588,666.03</u>

**WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2021	Receipts Miscellaneous	Disbursements		Transfers		Balance Dec. 31, 2022
			Improvement Authorizations	Miscellaneous	From	To	
Due to Utility Operating	\$ 111.88	28,990.11		28,954.64			147.35
Reserve for Water Tower Receipts	44,682.54						44,682.54
Reserve for Love Lane Tower Imp.	117,765.54						117,765.54
Reserve for Radionuclide Treatment	126,450.01						126,450.01
Reserve for Water Valve Tower	65,000.00						65,000.00
Reserve for Nitrate Removal Sysytem - ARP		761,673.06		761,673.06			-
Encumbrances	385,150.00			385,150.00		26,199.96	26,199.96
Capital Improvement Fund	438,045.23						438,045.23
Fund Balance	54,963.72						54,963.72
<u>Improvement Authorizations:</u>							
826 Nitrate Removal System	(355,150.00)		(96,761.64)		26,199.96		(284,588.32)
	<u>\$ 877,018.92</u>	<u>790,663.17</u>	<u>(96,761.64)</u>	<u>1,175,777.70</u>	<u>26,199.96</u>	<u>26,199.96</u>	<u>588,666.03</u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2021		\$ 317,167.73
Increased by Receipts:		
Consumer Accounts Charges and Levies	2,116,374.27	
	<hr/>	<hr/>
		2,116,374.27
		2,433,542.00
Decreased by Disbursements:		
Collections	1,988,866.40	
Prepayments & Overpayments Applied	7,351.82	
	<hr/>	<hr/>
		1,996,218.22
Balance December 31, 2022		\$ <u><u>437,323.78</u></u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2021		\$ -
Decreased by Disbursements:		
Collections		
	<hr/>	<hr/>
		-
Balance December 31, 2022		\$ <u><u>-</u></u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	<u>Balance Dec. 31, 2021</u>	<u>Balance After Transfers</u>	<u>Paid or Charges</u>	<u>Lapsed</u>
Operations:				
Salaries and Wages	\$ 18,553.99	18,553.99		18,553.99
Other Expenses	83,411.99	83,411.99	61,158.21	22,253.78
Sewerage Treatment Contract - Cumberland County Util. Auth.	525.59	525.59		525.59
Deferred Charges and Statutory Expenditures:				
Social Security System	1,743.61	1,743.61		1,743.61
Unemployment Compensation Insurance	170.83	170.83		170.83
	<u>\$ 104,406.01</u>	<u>104,406.01</u>	<u>61,158.21</u>	<u>43,247.80</u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2021		\$	13,601.62
Increased by:			
Budget Appropriations			133,105.72
			133,105.72
			146,707.34
Decreased By:			
Payments of Debt Service Interest			133,588.45
			133,588.45
Balance December 31, 2022		\$	13,118.89

Analysis of Accrued Interest December 31, 2021

Principal Outstanding December 31, 2022	Interest Rate	From	To	Days	Amount
1,144,013.87	4.50%	12/1/2022	12/31/2022	30	\$ 4,290.05
1,870,781.92	2.75%	11/1/2022	12/31/2022	60	\$ 8,574.42
1,526,513.62	2.00%	12/28/2022	12/31/2022	3	\$ 254.42
					\$ 13,118.89

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2021		Other Funding	Authorizations	Paid or Charged	Balance December 31, 2022	
				Funded	Unfunded		Deferred Charges to Future Revenue		Funded	Unfunded
826	Nitrate Removal System	4/20/2021	600,000	\$	214,850.00			(70,561.68)	-	285,411.68
				\$	<u>214,850.00</u>	<u>-</u>	<u>-</u>	<u>(70,561.68)</u>	<u>-</u>	<u>285,411.68</u>

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
Various Water and Sewer Capital Improvements	5/10/1994	\$ 2,378,100	2023	78,140.68	4.500%	\$ 1,218,753.43	74,739.56	1,144,013.87
			2024	81,696.56				
			2025	85,414.28				
			2026	89,301.16				
			2027	93,364.91				
			2028	97,613.60				
			2029	102,055.63				
			2030	106,699.80				
			2031	111,555.31				
			2032	116,631.77				
			2033	121,939.25				
			2034	59,600.92				

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
Construction of Seabrook Water Treatment Project	5/1/2011	\$ 2,299,000	2023	43,987.85	2.750%	1,913,584.60	42,802.68	1,870,781.92
			2024	45,205.83				
			2025	46,457.54				
			2026	47,743.90				
			2027	49,065.89				
			2028	50,424.48				
			2029	51,820.68				
			2030	53,255.55				
			2031	54,730.14				
			2032	56,245.57				
			2033	57,802.96				
			2034	59,403.47				
			2035	61,048.30				
			2036	62,738.66				
			2037	64,475.84				
			2038	66,261.11				
			2039	68,095.82				
			2040	69,981.33				
			2041	71,919.05				
			2042	73,910.42				
			2043	75,956.93				
			2044	78,060.10				
			2045	80,221.52				
			2046	82,442.78				
			2047	84,725.54				
			2048	87,071.51				
			2049	89,482.44				
			2050	91,960.13				
			2051	46,286.58				

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2022		Interest Rate	Balance	Decreased	Balance
			Date	Amount		Dec. 31, 2021		Dec. 31, 2022
Construction of a Radionuclide Treatment Plant	5/28/2012	\$ 1,887,000	2023	38,424.89	2.000%	1,564,181.40	37,667.78	1,526,513.62
			2024	39,197.23				
			2025	39,985.11				
			2026	40,788.81				
			2027	41,608.65				
			2028	42,444.99				
			2029	43,289.67				
			2030	44,159.80				
			2031	45,047.41				
			2032	45,952.86				
			2033	46,876.52				
			2034	47,818.74				
			2035	48,779.89				
			2036	49,760.37				
			2037	50,760.56				
			2038	51,780.84				
			2039	52,821.63				
			2040	53,883.35				
			2041	54,966.40				
			2042	56,071.22				
			2043	57,198.26				
			2044	58,347.95				
			2045	59,520.74				
2046	60,717.10							
2047	61,937.52							
2048	63,182.46							
2049	64,452.43							
2050	65,747.92							
2051	67,069.46							
2052	33,920.84							
						<u>\$ 4,696,519.43</u>	<u>155,210.02</u>	<u>4,541,309.41</u>

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Debt Issued</u>	<u>Balance Dec. 31, 2022</u>
826	Nitrate Removal System	\$ 570,000.00			570,000.00
		<u>\$ 570,000.00</u>	<u>-</u>	<u>-</u>	<u>570,000.00</u>

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TOWNSHIP OF UPPER DEERFIELD

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2022

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2015, the bid threshold was \$40,000. However, effective July 1, 2020, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$44,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$44,000.

The governing body of the Township of Upper Deerfield has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

RECONSTRUCTION OF LOVE LANE, MIDWAY AVE, AND MAPLE AVE

INSTALLATION OF PHASE III OF ADA WALKWAYS AT THE MUNICIPAL RECREATION COMPLEX

Collection of Interest on Delinquent Taxes and Assessments

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

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

BE IT RESOLVED by the Township Committee of the Township of Upper Deerfield, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Upper Deerfield, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

BE IT FURTHER RESOLVED by the Township Committee of the Township of Upper Deerfield, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year. This Resolution shall take effect January 1.

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

Delinquent Taxes and Tax Title Liens

The tax sale was held and was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number</u>
2022	17
2021	18
2020	17

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2022 and 2023 Taxes	5
Delinquent Taxes	5
Payment of Sewer Rents	5
Delinquent Sewer Rents	5
Total	<u>20</u>

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2022	\$ 21,610,280.17	20,933,072.33	96.87%
2021	21,443,215.48	20,812,490.76	97.06%
2020	20,397,106.76	19,796,929.65	97.06%
2019	19,895,117.44	19,368,629.85	97.35%
2018	19,091,837.87	18,502,023.60	96.91%

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	3.327	3.334	3.221	3.125	3.028
Apportionment of Tax Rate:					
Municipal	0.176	0.176	0.166	0.155	0.151
County	1.271	1.253	1.216	1.202	1.146
Regional School	0.643	0.659	0.622	0.574	0.545
Local School	1.237	1.246	1.217	1.194	1.186

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 557,061.33	363,670.66	920,731.99	4.26%
2021	\$ 496,816.33	275,500.27	772,316.60	3.60%
2020	478,711.71	237,131.98	715,843.69	3.51%

Uniform Construction Code

The Township of Upper Deerfield’s construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time.

FINDINGS AND RECOMMENDATIONS

NONE

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed with the Township Committee in response to comments, if any.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

Michael S. Garcia

**Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472**

September 1, 2023