

Report of Audit
on the
Financial Statements
of the
Borough of Metuchen
in the
County of Middlesex
New Jersey
for the
Year Ended
December 31, 2022

BOROUGH OF METUCHEN

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BOROUGH OF METUCHEN

PART I

INDEPENDENT AUDITOR'S REPORT ON
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2022 AND 2021



SUPLEE, CLOONEY & COMPANY
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Metuchen
County of Middlesex
Metuchen, New Jersey 08840

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

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Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

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

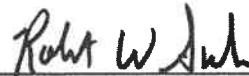
SUPLEE, CLOONEY & COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 29, 2023

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CURRENT FUND

BOROUGH OF METUCHEN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>ASSETS</u>			
Cash	A-4	\$ 13,047,482.33	\$ 11,588,216.79
Petty Cash	A-5	1,200.00	1,200.00
Due State of NJ - Senior Citizens and Veterans	A-7	<u>34,975.36</u>	<u>34,565.01</u>
		<u>\$ 13,083,657.69</u>	<u>\$ 11,623,981.80</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	\$ 517,287.81	\$ 580,720.57
Tax Title Liens	A-11	154,103.81	145,420.14
Interfunds Receivable	A-22	1,335.68	0.00
Foreclosed Property	A-14	350,300.00	350,300.00
Revenue Accounts Receivable	A-8	<u>13,345.70</u>	<u>15,012.91</u>
	A	<u>\$ 1,036,373.00</u>	<u>\$ 1,091,453.62</u>
		<u>\$ 14,120,030.69</u>	<u>\$ 12,715,435.42</u>
Grant Fund:			
Cash	A-4	\$ 2,009,759.34	\$ 2,349,106.36
Grants Receivable	A-18	<u>1,027,392.09</u>	<u>1,028,992.04</u>
		<u>\$ 3,037,151.43</u>	<u>\$ 3,378,098.40</u>
		<u>\$ 17,157,182.12</u>	<u>\$ 16,093,533.82</u>

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

BOROUGH OF METUCHEN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-9	\$ 1,289,491.79	\$ 1,014,267.83
Tax Overpayments	A-15	137,844.67	185,312.62
Prepaid Taxes	A-10	424,122.64	391,541.90
Interfunds	A-22	345.17	435,212.07
Accounts Payable	A-19	818,484.39	1,027,571.98
Various Reserves	A-20	185,163.21	104,592.40
Special Improvement District Taxes Payable	A-21	230.05	230.05
		<u>\$ 2,855,681.92</u>	<u>\$ 3,158,728.85</u>
Reserve for Receivables	A	1,036,373.00	1,091,453.62
Fund Balance	A-1	<u>10,227,975.77</u>	<u>8,465,252.95</u>
		<u>\$ 14,120,030.69</u>	<u>\$ 12,715,435.42</u>
Grant Fund:			
Grants Appropriated	A-17	\$ 3,035,039.91	\$ 3,378,098.40
Grants Unappropriated	A-16	<u>2,111.52</u>	<u>0.00</u>
		<u>\$ 3,037,151.43</u>	<u>\$ 3,378,098.40</u>
		<u>\$ 17,157,182.12</u>	<u>\$ 16,093,533.82</u>

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

"A-1"

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,100,000.00	\$ 1,375,000.00
Miscellaneous Revenue Anticipated	A-2	4,504,040.19	4,345,417.67
Receipts from Delinquent Taxes	A-2	580,720.57	569,983.28
Receipts from Current Taxes	A-2	69,785,278.56	67,873,318.38
Non-Budget Revenues	A-2	404,814.60	1,146,778.16
Other Credits to Income:			
Interfunds Returned			20,001.47
Tax Overpayments Canceled	A-15	99,833.80	123,517.62
Accounts Payable Canceled	A-19	61,717.14	32,385.65
Unexpended Balance of Appropriation Reserves	A-9	1,059,390.12	1,158,794.80
<u>TOTAL INCOME</u>		<u>\$ 77,595,794.98</u>	<u>\$ 76,645,197.03</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within CAPS	A-3	\$ 14,518,238.00	\$ 16,049,623.67
Deferred Charges & Statutory Expenditures Within CAPS	A-3	1,949,500.00	1,837,150.00
Operations Excluded from CAPS	A-3	3,002,263.12	1,262,501.84
Capital Improvements	A-3	542,379.60	325,000.00
Debt Service	A-3	1,414,069.98	1,676,914.17
Deferred Charges & Statutory Expenditures Outside CAPS	A-3	0.00	9,900.00
Local District School Tax	A-13	42,414,110.00	41,628,062.00
County Tax	A-12	10,641,175.78	10,016,766.23
Special Improvement District Tax	A-21	250,000.00	225,053.93
Interfunds Advanced	A-22	1,335.68	
Refund of Prior Year revenue			5,095.96
<u>TOTAL EXPENDITURES</u>		<u>\$ 74,733,072.16</u>	<u>\$ 73,036,067.80</u>
Excess in Revenue		\$ 2,862,722.82	\$ 3,609,129.23
Fund Balance, January 1	A:A-1	<u>8,465,252.95</u>	<u>6,231,123.72</u>
		\$ 11,327,975.77	\$ 9,840,252.95
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>1,100,000.00</u>	<u>1,375,000.00</u>
Fund Balance, December 31	A:A-1	<u>\$ 10,227,975.77</u>	<u>\$ 8,465,252.95</u>

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

BOROUGH OF METUCHEN

CURRENT FUND

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

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	BUDGET	N.J.S.A. 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 1,100,000.00	\$ 1,100,000.00	
Miscellaneous Revenues:				
ABC Licenses	A-8	\$ 18,000.00	\$ 18,590.00	\$ 590.00
Other Licenses	A-2	9,000.00	7,824.50	(1,175.50)
Fees and Permits	A-2	75,000.00	84,114.40	9,114.40
Municipal Court	A-8	155,000.00	139,344.81	(15,655.19)
Interest and Costs on Taxes	A-8	140,000.00	158,411.39	18,411.39
Parking Meters	A-8	80,000.00	99,557.26	19,557.26
Interest on Investments and Deposits	A-8	18,000.00	184,300.28	166,300.28
Metuchen Senior Housing Service Charge	A-8	21,000.00	25,651.68	4,651.68
Cable TV Franchise Fee	A-8	56,087.00	56,087.00	
Energy Receipts Taxes	A-8	1,448,955.00	1,448,655.00	(300.00)
Uniform Construction Code	A-8	500,000.00	552,364.00	52,364.00
Uniform Fire Safety Act	A-8	42,184.00	46,808.47	4,624.47
Metuchen Parking Authority	A-8	250,000.00	250,000.00	
Sewer Service Charge	A-8	25,000.00	34,476.91	9,476.91
ARP Revenue Replacement	A-8	761,097.39	761,097.39	
Developer Contributions	A-8	242,379.60	242,379.60	
National Opioid Settlement Fund	A-18		6,975.80	6,975.80
GCADA-Youth Leadership	A-18		5,000.00	5,000.00
ARP Firefighter Grant	A-18		33,000.00	33,000.00
Middlesex County Cultural Arts Program	A-18	6,350.00	6,350.00	
Recycling Tonnage Grant	A-18	15,448.46	15,448.46	
Body Armor Grant	A-18	2,800.00	2,800.00	
Clean Communities	A-18		28,925.24	28,925.24
Cops in Shops	A-18	1,440.00	1,440.00	
Click it or Ticket	A-18		7,000.00	7,000.00
Distracted Driving Udrive, Utext, Upay	A-18	8,750.00	8,750.00	
Municipal Alliance	A-18		7,688.00	7,688.00
DOT Transit Village-Station Bike Safety Imp	A-18	16,000.00	16,000.00	
Elizabethtown Gas First Responders Grant	A-18	5,000.00	5,000.00	
Leap Implementation Grant Joint Sewage Pump Station	A-18	250,000.00	250,000.00	
Safe Routes To Schools	A-18	17,851.43		(17,851.43)
	A-1	\$ 4,165,342.88	\$ 88,589.04	\$ 4,504,040.19
				\$ 250,108.27
Receipts from Delinquent Taxes	A-1:A-6	\$ 550,000.00	\$ 580,720.57	\$ 30,720.57
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-6	\$ 16,018,843.77	\$ 16,065,702.13	\$ 46,858.36
Local Tax for Library Purposes	A-2:A-6	910,485.62	910,485.62	
Budget Totals		\$ 22,744,672.27	\$ 88,589.04	\$ 23,160,948.51
				\$ 327,687.20
Non-Budget Revenue	A-2	\$	\$ 404,814.60	\$ 404,814.60
		\$ 22,744,672.27	\$ 88,589.04	\$ 23,565,763.11
				\$ 732,501.80
REF.	A-3		A-3	

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

BOROUGH OF METUCHEN

CURRENT FUND

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

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue From Collections	A-1:A-6	\$	69,785,278.56
Allocated to:			
Local District School Tax		\$	42,414,110.00
County Taxes			10,641,175.78
Special Improvement District Tax			250,000.00
Municipal Library Tax	A-2		<u>910,485.62</u>
			54,215,771.40
Balance for Support of Municipal Budget Appropriations		\$	<u>15,569,507.16</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,406,680.59</u>
Amount of Support for Municipal Budget Appropriations	A-2	\$	<u>16,976,187.75</u>
 <u>OTHER LICENSES</u> 			
Board of Health	A-8	\$	6,724.50
Clerk	A-8		<u>1,100.00</u>
	A-2	\$	<u>7,824.50</u>
 <u>FEES AND PERMITS</u> 			
Clerk/Other	A-8	\$	52,483.00
Planning/Zoning	A-8		25,775.25
Sidewalk Inspections	A-8		3,500.00
Police	A-8		1,857.90
Engineering	A-8		<u>398.25</u>
	A-2	\$	<u>84,114.40</u>
 <u>ANALYSIS OF NON-BUDGET REVENUE</u> 			
Miscellaneous Revenue Not Anticipated:		\$	91,825.00
Police Outside Overtime Admin Fee			120,000.00
Shared Service Parking Authority			15,292.00
Vacant Property			51,799.99
Miscellaneous/Other Prior Refunds			4,244.60
Recycling			1,335.68
Animal Control Excess			14,998.34
Library			61,978.16
Cell Tower/ Other Rent			14,406.00
PERS Reimbursements			24,646.00
Sale of Assets			1,002.50
Administrative Fee on Veterans and Senior Citizen Deductions			3,200.50
DMV Inspection Fines			<u>85.83</u>
Net Payroll Miscellaneous			<u>404,614.60</u>
	A-1:A-2:A-4	\$	<u>404,614.60</u>

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

BOROUGH OF METUCHEN

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 290,000.00	\$ 280,000.00	\$ 255,871.97	\$ 4,128.03	
Other Expenses	425,000.00	425,000.00	400,151.97	24,848.03	
Mayor and Committee:					
Salaries and Wages	41,500.00	41,500.00	41,500.00	2,044.00	
Other Expenses	3,500.00	3,500.00	1,456.00		
Municipal Clerk:					
Salaries and Wages	81,500.00	81,500.00	81,316.99	183.01	
Other Expenses	2,100.00	2,100.00	1,324.95	775.05	
Election:					
Other Expenses	10,000.00	10,000.00		10,000.00	
<u>DEPARTMENT OF FINANCE</u>					
Financial Administration:					
Salaries and Wages	460,000.00	460,000.00	414,491.67	45,508.33	
Other Expenses	105,000.00	111,700.00	104,830.79	6,869.21	
Collection of Taxes:					
Other Expenses	12,500.00	12,500.00	11,539.65	960.35	
Assessment of Taxes:					
Salaries and Wages	10,000.00	12,000.00	10,776.68	1,223.32	
Other Expenses	12,000.00				
<u>LEGAL SERVICES AND COSTS</u>					
Legal Services:					
Other Expenses	210,000.00	210,000.00	175,412.50	34,587.50	
Municipal Prosecutor:					
Other Expenses	30,000.00	30,800.00	30,750.00	50.00	
Public Defender:					
Salaries and Wages	22,500.00	22,500.00	22,500.00		
<u>DEPARTMENT OF PUBLIC WORKS</u>					
Public Works Administration:					
Salaries and Wages	400,000.00	400,000.00	349,373.96	50,626.04	
Other Expenses	7,000.00	8,200.00	7,485.83	714.17	
Forestry:					
Salaries and Wages	240,000.00	240,000.00	221,258.49	18,741.51	
Other Expenses	26,450.00	21,450.00	19,715.30	1,734.70	

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

BOROUGH OF METUCHEN

CURRENT FUND

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

	APPROPRIATIONS			PAID OR		RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	CHARGED	EXPENDED			
DEPARTMENT OF PUBLIC WORKS (CONTINUED)							
Public Buildings and Grounds:							
Salaries and Wages	\$ 155,000.00	\$ 155,000.00	\$ 132,092.35	\$ 22,907.65	\$		
Other Expenses	159,000.00	281,000.00	250,844.38	30,155.62			
Planning Board:							
Salaries and Wages	51,100.00	51,100.00	46,333.16	4,766.84			
Other Expenses	10,000.00	10,000.00	9,049.19	950.81			
Zoning Board of Adjustment:							
Salaries and Wages	76,500.00	76,500.00	49,023.18	27,476.82			
Other Expenses	6,800.00	6,800.00	6,025.95	774.05			
Shade Tree Commission:							
Other Expense	1,000.00	1,000.00	60.00	940.00			
DEPARTMENT OF PUBLIC SAFETY							
Fire Department:							
Salaries and Wages	25,400.00	25,400.00	13,690.38	11,709.62			
Fire Hydrant Service	345,000.00	345,000.00	339,834.52	6,165.48			
Miscellaneous - Other Expenses	252,600.00	252,600.00	247,174.18	5,425.82			
Police:							
Salaries and Wages	4,200,000.00	4,134,400.00	3,951,598.60	182,801.40			
Other Expenses	160,000.00	160,000.00	156,150.55	3,849.45			
Auxiliary Police Department:							
Salaries and Wages	5,000.00	5,000.00	4,999.98	0.02			
Other Expenses	7,900.00	7,900.00	7,889.43	10.57			
Emergency Management:							
Salaries and Wages	20,000.00	20,000.00	10,000.00	10,000.00			
Other Expenses	20,000.00	23,000.00	22,985.49	14.51			
First Aid Contribution	20,000.00	20,000.00	20,000.00				
Uniform Fire Safety Act:							
Salaries and Wages	42,184.00	42,184.00	42,184.00				
Municipal Court:							
Salaries and Wages	214,000.00	214,000.00	201,191.32	12,808.68			
Other Expenses	26,550.00	26,550.00	20,316.64	6,233.36			
DEPARTMENT OF PUBLIC WORKS							
Streets and Roads:							
Salaries and Wages	455,000.00	455,000.00	370,790.91	84,209.09			
Other Expenses	289,000.00	257,000.00	228,277.63	28,722.37			
Sewer System:							
Salaries and Wages	176,000.00	176,000.00	162,806.39	13,193.61			
Other Expenses	53,550.00	43,550.00	43,156.07	393.93			

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

BOROUGH OF METUCHEN
CURRENT FUND

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

	APPROPRIATIONS			EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
DEPARTMENT OF PUBLIC WORKS (CONTINUED)						
Garbage and Trash Removal:						
Salaries and Wages	\$ 730,000.00	\$ 700,000.00	\$ 641,774.79	\$ 58,225.21	\$	
Other Expenses	30,800.00	32,800.00	32,450.00	150.00		
Recycling:						
Other Expenses	80,000.00	95,000.00	85,095.33	9,904.67		
Other Expenses						
Solid Waste Collection:						
Other Expenses	350,000.00	350,000.00	297,991.93	52,008.07		
HEALTH AND HUMAN SERVICES						
Board of Health:						
Salaries and Wages	8,000.00	8,000.00	5,873.26	2,126.74		
Other Expenses	3,000.00	3,000.00	1,287.40	1,712.60		
PARKS AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	120,000.00	120,000.00	117,115.23	2,884.77		
Other Expenses	20,000.00	20,000.00	13,771.05	6,228.95		
Parks and Playgrounds:						
Salaries and Wages	85,000.00	115,000.00	103,080.47	11,919.53		
Other Expenses	10,700.00	7,700.00	6,390.06	1,309.94		
Senior Citizen Bus Transportation:						
Salaries and Wages	35,000.00	35,000.00	17,735.95	17,264.05		
Senior Citizens Center:						
Salaries and Wages	78,000.00	78,000.00	54,709.53	23,290.47		
Other Expenses	20,000.00	20,000.00	18,800.45	1,199.55		
METV Cable:						
Salaries and Wages	78,700.00	78,700.00	69,358.06	9,341.94		
Other Expenses	76,000.00	53,000.00	34,584.48	18,415.52		
Celebration of Public Events	10,000.00	10,000.00	4,419.95	5,580.05		
Insurance:						
Group Insurance Walver	100,000.00	100,000.00	94,869.98	5,130.02		
Group Insurance for Employees	1,777,600.00	1,777,600.00	1,776,287.86	1,312.14		
Other Insurance Premiums	10,000.00	18,100.00	18,015.16	84.84		
Joint Insurance Fund	427,804.00	427,804.00	423,071.00	4,733.00		
Economic Development:						
Other Expenses	75,000.00	75,000.00	75,000.00			
Uniform Construction Code Enforcement Functions:						
Salaries and Wages	310,000.00	310,000.00	263,297.95	46,702.05		
Other Expenses	140,000.00	140,000.00	86,364.04	53,635.96		
Unclassified:						
Gasoline and Fuel	250,000.00	235,000.00	223,662.98	11,137.02		
Telephone	70,000.00	72,000.00	67,617.28	4,382.72	\$	
Street Lighting	200,000.00	200,000.00	180,521.65	19,478.35		
Utilities	280,000.00	295,000.00	278,472.16	16,527.84		

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

BOROUGH OF METUCHEN

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
TOTAL OPERATIONS WITHIN "CAPS":	\$ 14,536,238.00	\$ 14,518,238.00	\$ 13,477,049.05	\$ 1,041,188.95	\$
Detail:					
Salaries and Wages	\$ 8,410,384.00	\$ 8,377,284.00	\$ 7,706,563.92	\$ 670,720.08	\$
Other Expenses	\$ 6,125,854.00	\$ 6,140,954.00	\$ 5,770,485.13	\$ 370,468.87	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":					
Detail:					
Statutory Expenditures:					
Contribution to Public Employee's Retirement System	\$ 514,100.00	\$ 514,100.00	\$ 514,020.78	\$ 79.22	\$
Social Security System (O.A.S.I.)	\$ 360,000.00	\$ 375,000.00	\$ 365,209.92	\$ 9,790.08	\$
Contribution to Police and Firemen's Retirement System	\$ 1,026,400.00	\$ 1,026,400.00	\$ 1,026,385.90	\$ 14.10	\$
State Unemployment System	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$	\$
Contribution to Defined Contribution Plan	\$ 23,000.00	\$ 26,000.00	\$ 23,623.64	\$ 2,376.36	\$
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":	\$ 1,931,500.00	\$ 1,948,500.00	\$ 1,937,240.24	\$ 12,259.76	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS":	\$ 16,467,738.00	\$ 16,467,738.00	\$ 15,414,289.29	\$ 1,053,448.71	\$
OPERATIONS EXCLUDED FROM "CAPS":					
Maintenance of Free Public Library:					
Salaries and Wages	\$ 524,000.00	\$ 524,000.00	\$ 478,106.57	\$ 45,893.43	\$
Other Expenses	\$ 386,485.62	\$ 386,485.62	\$ 234,973.41	\$ 151,512.21	\$
Authority-Service Charges-MCUA	\$ 1,220,000.00	\$ 1,220,000.00	\$ 1,206,838.08	\$ 13,161.92	\$
Recycling Tax	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$	\$
TOTAL OPERATIONS EXCLUDED FROM "CAPS":	\$ 2,148,485.62	\$ 2,148,485.62	\$ 1,937,918.06	\$ 210,567.56	\$

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

BOROUGH OF METUCHEN
CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENT</u>					
Township of Edison - Animal Control	\$ 55,000.00	\$ 55,000.00	\$ 35,344.32	\$ 19,655.68	\$
County of Middlesex Health Service Contract	57,400.00	57,400.00	57,395.12	4.88	
County of Middlesex Library Consortium	35,000.00	35,000.00	29,185.04	5,814.96	
Woodbridge Shared Service - Clerit Advise	36,000.00	36,000.00	36,000.00		
911 Services Rutgers University	276,000.00	276,000.00	276,000.00		
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENT	\$ 459,400.00	\$ 459,400.00	\$ 433,924.48	\$ 25,476.52	\$
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Cops in Shops	\$ 1,440.00	\$ 1,440.00	\$ 1,440.00	\$	\$
Distracted Driving	8,750.00	8,750.00	8,750.00		
Body Armor	2,800.00	2,800.00	2,800.00		
Elizabethtown First Responders	5,000.00	5,000.00	5,000.00		
County Cultural Arts	6,350.00	6,350.00	6,350.00		
Recycling Tonnage	15,448.46	15,448.46	15,448.46		
DOT Transit Village-Bike Racks	16,000.00	16,000.00	16,000.00		
LEAP Implementation Joint Sewage Pump Station	250,000.00	250,000.00	250,000.00		
Municipal Alliance (40A:4-87 + \$7,688.00)	7,688.00	7,688.00	7,688.00		
Opicid Settlement (40A:4-87 + \$6,975.80)	6,975.80	6,975.80	6,975.80		
Click It or Ticket (40A:4-87 + \$7,000.00)	7,000.00	7,000.00	7,000.00		
Municipal Alliance- Youth Leadership (40A:4-87 + \$5,000.00)	5,000.00	5,000.00	5,000.00		
Clean Communities (40A:4-87 + \$28,925.24)	28,925.24	28,925.24	28,925.24		
DCA ARP Firefighter (40A:4-87 + \$33,000.00)	33,000.00	33,000.00	33,000.00		
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	\$ 305,788.46	\$ 394,377.50	\$ 394,377.50	\$	\$
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 2,913,674.08</u>	<u>\$ 3,002,263.12</u>	<u>\$ 2,766,220.04</u>	<u>\$ 236,043.06</u>	<u>\$</u>
Detail:					
Salaries and Wages	524,000.00	524,000.00	478,106.57	45,893.43	
Other Expenses	2,389,674.08	2,478,263.12	2,288,113.47	190,149.65	

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

BOROUGH OF METUCHEN

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS					
Capital Improvement Fund	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$	\$
Capital Reserve For Public Safety Bldg-Architectural Fees	100,000.00	100,000.00	100,000.00		
Elizabethown Gas 2022 Capital Road Surfacing Contribution	242,379.60	242,379.60	242,379.60		
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	\$ 542,379.60	\$ 542,379.60	\$ 542,379.60	\$	\$
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 1,211,500.00	\$ 1,211,500.00	\$ 1,211,424.00	\$	\$ 76.00
Interest on Bonds	202,700.00	202,700.00	202,645.98		54.02
TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"	\$ 1,414,200.00	\$ 1,414,200.00	\$ 1,414,069.98	\$	130.02
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 4,870,253.68	\$ 4,958,842.72	\$ 4,722,669.62	\$ 236,043.08	\$ 130.02
SUBTOTAL GENERAL APPROPRIATIONS	\$ 21,337,991.68	\$ 21,426,580.72	\$ 20,136,959.91	\$ 1,289,491.79	\$ 130.02
RESERVE FOR UNCOLLECTED TAXES	\$ 1,406,680.59	\$ 1,406,680.59	\$ 1,406,680.59	\$	\$
TOTAL GENERAL APPROPRIATIONS	\$ 22,744,672.27	\$ 22,833,261.31	\$ 21,543,639.50	\$ 1,289,491.79	\$ 130.02
REF.	A-2:A-3		A-1	A:A-1	
Budget		\$ 22,744,672.27			
Amendment - NUSA 40A: 4-87		86,589.04			
		<u>22,833,261.31</u>			
Reserve for Uncollected Taxes		\$	1,406,680.59		
Accounts Payable			794,548.18		
Reserve for Grants Appropriated			394,377.50		
Disbursements			19,534,054.21		
Less: Refunds			22,129,660.48		
			<u>586,020.98</u>		
			<u>21,543,639.50</u>		

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

TRUST FUND

"B"

BOROUGH OF METUCHEN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 14,382.88	\$ 8,275.17
	B	\$ 14,382.88	\$ 8,275.17
Other Funds:			
Cash	B-1	\$ 4,087,371.63	\$ 4,093,867.06
Due Current Fund	B-19	345.17	212.07
Community Development Block Grants Receivable	B-8	365,373.98	241,265.98
	B	\$ 4,453,090.78	\$ 4,335,345.11
<u>TOTAL ASSETS</u>	B	\$ 4,467,473.66	\$ 4,343,620.28
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 13,024.40	\$ 8,231.97
Due Current Fund	B-18	1,335.68	
Due State of New Jersey	B-6	22.80	43.20
	B	\$ 14,382.88	\$ 8,275.17
Other Funds:			
Reserve for:			
Trust Other	B-5	\$ 2,014,407.82	\$ 2,328,618.05
Payroll Deductions Payable	B-12	132,986.75	84,650.40
COAH	B-9	708,087.70	635,609.20
Recreation	B-13	195,596.15	175,548.87
Unemployment Compensation Insurance	B-7	83,817.43	40,109.34
Police Outside Overtime	B-11	124,453.37	124,164.37
Law Enforcement	B-14	3,700.93	1,824.68
Developers Escrow	B-10	780,235.46	808,399.71
Forfeiture	B-15	156,026.89	86,301.89
Equitable Sharing Forfeiture	B-17	28,626.21	28,434.55
Election	B-4	1,039.58	1,644.45
Fire Penalties	B-16	2,154.32	2,139.88
Accounts Payable	B-2	221,958.17	17,899.72
	B	\$ 4,453,090.78	\$ 4,335,345.11
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	B	\$ 4,467,473.66	\$ 4,343,620.28

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 7,148,012.67	\$ 4,095,012.99
Deferred Charges to Future Taxation:			
Funded	C-4	10,300,000.00	11,511,424.00
Unfunded	C-5	10,924,400.00	5,260,000.00
Interfunds Receivable	C-14		435,000.00
Grants Receivable	C-9	<u>1,599,549.78</u>	<u>1,186,079.76</u>
		<u>\$ 29,971,962.45</u>	<u>\$ 22,487,516.75</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-11	\$ 10,300,000.00	\$ 11,511,424.00
Bond Anticipation Notes Payable	C-13	2,324,400.00	
Contracts Payable	C-7	10,067,757.81	2,891,493.99
Capital Improvement Fund	C-8	65,644.60	68,865.00
Reserve for Preliminary Plan Expenses	C-15	101,000.00	
Reserve for Capital Improvements	C-6	3,336,126.44	1,896,126.44
Improvement Authorizations:			
Funded	C-10	1,059,298.17	1,759,413.76
Unfunded	C-10	2,646,643.37	4,289,101.50
Fund Balance	C-1	<u>71,092.06</u>	<u>71,092.06</u>
		<u>\$ 29,971,962.45</u>	<u>\$ 22,487,516.75</u>

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

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
Balance, January 1	C	\$ 71,092.06	\$ 70,154.63
Increased by:			
Premium on Sale of Debt			<u>937.43</u>
Balance, December 31	C	\$ <u>71,092.06</u>	\$ <u>71,092.06</u>

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

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SWIMMING POOL UTILITY FUND

"D"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
<u>ASSETS</u>			
Operating Fund:			
Cash	D-5	\$ 545,760.71	\$ 528,600.43
Interfunds Receivable	D-18		27.53
		<u>\$ 545,760.71</u>	<u>\$ 528,627.96</u>
Capital Fund:			
Cash	D-5	\$ 10,849.70	\$ 13,332.82
Fixed Capital	D-13	1,395,731.00	1,395,731.00
Fixed Capital Authorized and Uncompleted	D-6	111,000.00	111,000.00
Interfunds Receivable	D-19	555.59	
		<u>\$ 1,518,136.29</u>	<u>\$ 1,520,063.82</u>
		<u>\$ 2,063,897.00</u>	<u>\$ 2,048,691.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-7	\$ 15,473.06	\$ 3,765.22
Accounts Payable	D-10	12,410.11	5,888.80
Accrued Interest Payable	D-11	1,935.48	1,709.96
Interfunds Payable	D-18	555.59	
Fund Balance	D-2	515,386.47	517,263.98
		<u>\$ 545,760.71</u>	<u>\$ 528,627.96</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	D-8	\$ 2,630.83	\$ 2,630.83
Contracts Payable	D-17		2,500.00
Interfunds Payable	D-19		27.53
Bonds Payable	D-14	190,000.00	219,450.00
Reserve for Amortization	D-12	1,305,181.00	1,275,131.00
Deferred Reserve for Amortization	D-16	11,550.00	11,550.00
Capital Improvement Fund	D-9	8,338.46	8,338.46
Fund Balance	D-1	436.00	436.00
		<u>\$ 1,518,136.29</u>	<u>\$ 1,520,063.82</u>
		<u>\$ 2,063,897.00</u>	<u>\$ 2,048,691.78</u>

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

BOROUGH OF METUCHEN

SWIMMING POOL CAPITAL UTILITY FUND

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>REF.</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
Balance, January 1	D	\$ <u>436.00</u>	\$ <u>436.00</u>
Balance, December 31	D	\$ <u><u>436.00</u></u>	\$ <u><u>436.00</u></u>

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

BOROUGH OF METUCHENSWIMMING POOL UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>REF.</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	D-2: D-3	\$ 100,000.00	\$ 50,000.00
Pool Memberships & Guest Fees	D-3	447,375.00	
A.R.P. Revenue Replacement	D-3		355,000.00
Non-budget Revenue	D-3	27,291.72	433,806.95
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-7	<u>2,555.77</u>	<u>20,801.02</u>
		<u>\$ 577,222.49</u>	<u>\$ 859,607.97</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-4	\$ 425,600.00	\$ 375,950.00
Debt Service	D-4	33,900.00	28,050.00
Deferred Charges and Statutory Expenditures	D-4	<u>19,600.00</u>	<u>1,000.00</u>
		<u>\$ 479,100.00</u>	<u>\$ 405,000.00</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue		\$ 98,122.49	\$ 454,607.97
<u>Fund Balance</u>			
Balance, January 1	D	<u>517,263.98</u>	<u>112,656.01</u>
		\$ 615,386.47	\$ 567,263.98
Less:			
Fund Balance Utilized	D-2	<u>100,000.00</u>	<u>50,000.00</u>
Balance, December 31	D	<u>\$ 515,386.47</u>	<u>\$ 517,263.98</u>

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

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Utilized	D-2	\$ 100,000.00	\$ 100,000.00	\$
Pool Memberships & Guest Fees	D-2:D-5	<u>379,100.00</u>	<u>447,375.00</u>	<u>68,275.00</u>
		<u>\$ 479,100.00</u>	<u>\$ 547,375.00</u>	<u>\$ 68,275.00</u>
	<u>REF.</u>	D-4		
Non-Budget Revenue	D-2:D-5		\$ <u>27,291.72</u>	
			\$ <u>574,666.72</u>	

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

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY OPERATING FUND

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

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 200,000.00	\$ 207,600.00	\$ 207,526.62	\$ 73.38
Other Expenses	225,600.00	218,000.00	204,724.21	13,275.79
<u>Total Operating</u>	\$ 425,600.00	\$ 425,600.00	\$ 412,250.83	\$ 13,349.17
Debt Service:				
Principal on Bonds	\$ 29,500.00	\$ 29,500.00	\$ 29,500.00	\$
Interest on Bonds	4,400.00	4,400.00	4,400.00	
<u>Total Debt Service</u>	\$ 33,900.00	\$ 33,900.00	\$ 33,900.00	\$
Deferred Charges:				
Utility paydown unfunded improvement auths	\$ 600.00	\$ 600.00	\$ 600.00	\$
<u>Total Deferred Charges</u>	\$ 600.00	\$ 600.00	\$ 600.00	\$
Statutory Expenditures:				
Social Security	\$ 18,000.00	\$ 18,000.00	\$ 15,876.11	\$ 2,123.89
Unemployment	1,000.00	1,000.00	1,000.00	
<u>Total Statutory Expenditures</u>	\$ 19,000.00	\$ 19,000.00	\$ 16,876.11	\$ 2,123.89
<u>Total</u>	\$ 479,100.00	\$ 479,100.00	\$ 463,626.94	\$ 15,473.06

D:D-2

D-3

REF.

Disbursements	\$ 447,816.83
Accrued Interest	4,400.00
Accounts Payable	11,410.11
<u>Total</u>	\$ 463,626.94

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

BOROUGH OF METUCHEN

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2021</u>
Fixed Assets:		
Land	\$ 15,523,732.91	\$ 14,940,500.00
Buildings and Improvements	6,708,100.00	6,708,100.00
Machinery and Equipment	<u>9,531,940.00</u>	<u>10,339,608.12</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 31,763,772.91</u>	<u>\$ 31,988,208.12</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 31,763,772.91</u>	<u>\$ 31,988,208.12</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF METUCHEN

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Borough of Metuchen conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Metuchen are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:

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

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

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

Swimming Pool Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned swimming pool.

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

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized. Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of the purchase and are not capitalized in their own respective funds. The Borough has valued its land and buildings at assessed values. GAAP requires capital assets to be recorded at their historical cost or estimated historical cost. Additionally, GAAP requires depreciation to be calculated on capital assets, with the exception of land.

General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements. Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

Fixed Capital - Swimming Pool Utility - Accounting for utility fund "fixed capital" is done in compliance with N.J.A.C. 5:30-5.6. Property and equipment purchased by the SwimmingPool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represents changes to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

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

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

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

Leases

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases (Continued)

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

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

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Metuchen had the following cash and cash equivalents at December 31, 2022:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 13,292,226.51	\$ (244,744.18)	\$ 13,047,482.33
Grant Fund	2,009,759.34		2,009,759.34
Animal Control Trust Fund	14,382.88		14,382.88
Trust Other Fund	4,322,891.68	(235,520.05)	4,087,371.63
General Capital Fund	6,835,152.65	312,860.02	7,148,012.67
Swimming Pool Utility Operating Fund	546,324.72	(564.01)	545,760.71
Swimming Pool Utility Capital Fund	11,361.36	(511.66)	10,849.70
<u>Total</u>	<u>\$ 27,032,099.14</u>	<u>\$ (168,479.88)</u>	<u>\$ 26,863,619.26</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2022, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance in the bank was exposed to custodial credit risk. Of the cash balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$26,532,099.14 was covered by NJGUDPA.

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by local units.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Metuchen's investment activities during the year were in accordance with the above New Jersey Statute. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, are included in the below Summary of Municipal Debt and Summary of Statutory Debt Condition Annual Debt Statement:

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
Issued:			
General:			
Bonds and Notes	\$ 12,624,400.00	\$ 11,511,424.00	\$ 10,388,049.00
Swimming Pool:			
Bonds and Notes	<u>190,000.00</u>	<u>219,450.00</u>	<u>243,300.00</u>
Debt Issued	<u>\$ 12,814,400.00</u>	<u>\$ 11,730,874.00</u>	<u>\$ 10,631,349.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 8,600,000.00	\$ 5,260,000.00	\$ 4,100,000.00
Swimming Pool:			
Bonds and Notes	<u> </u>	<u>600.00</u>	<u>600.00</u>
Total Authorized But Not Issued	<u>\$ 8,600,000.00</u>	<u>\$ 5,260,600.00</u>	<u>\$ 4,100,000.00</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 21,414,400.00</u>	<u>\$ 16,991,474.00</u>	<u>\$ 14,731,949.00</u>

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.775%:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 90,040,000.00	\$ 90,040,000.00	\$
Swimming Pool Utility Debt	190,000.00	190,000.00	
General Debt	<u>21,224,400.00</u>	<u> </u>	<u>21,224,400.00</u>
	<u>\$ 111,454,400.00</u>	<u>\$ 90,230,000.00</u>	<u>\$ 21,224,400.00</u>

Net debt \$21,224,400.00 divided by equalized valuation basis per N.J.S. 40A:2-2, \$2,739,037,388.00 equals 0.775%

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis - December 31, 2022	\$ <u>2,739,037,388.00</u>
3 1/2% of Equalized Valuation Basis	\$ 95,866,308.58
Net Debt	<u>21,224,400.00</u>
Remaining Borrowing Power	\$ <u>74,641,908.58</u>

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Borough of Metuchen for the last three (3) preceding years.

LONG-TERM DEBT

\$6,571,424 General Improvement Bonds of 2021 due in annual installments of \$435,000.00 to \$515,000.00 with interest from .05% to 2%	\$6,135,000.00
\$99,450 Pool Utility Bonds of 2021 due in annual installments of \$5,000.00 to \$10,000.00 with interest from .05% to 2%	90,000.00
\$8,402,000.00 General Improvement Bonds of 2014 due in annual installments of \$440,000.00 to \$880,000.00 with interest from 2% to 3%	4,165,000.00
\$258,000.00 Pool Utility Bonds of 2014 due in annual installments of \$18,000.00 to \$20,000.00 with interest from 2% to 3%	<u>100,000.00</u>
	<u>\$10,490,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

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

General Capital Fund	\$ <u>8,600,000.00</u>
Total	\$ <u><u>8,600,000.00</u></u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SWIMMING POOL UTILITY
PER N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year and Anticipated Surplus		\$ 574,859.84
<u>Deductions:</u>		
Operation and Maintenance	\$ 425,600.00	
Deferred Charges	600.00	
Debt Service	<u>33,600.00</u>	
Total Deductions		<u>459,800.00</u>
Excess/(Deficit) in Revenue - Self- Liquidating/(Not Self Liquidating)		\$ <u>115,059.84</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING

Year	General Capital		Swimming Pool Utility Capital		Total
	Principal	Interest	Principal	Interest	
2023	\$1,225,000.00	\$189,716.50	\$25,000.00	\$4,007.00	\$1,443,723.50
2024	1,250,000.00	170,736.00	25,000.00	3,530.00	1,449,266.00
2025	1,275,000.00	150,266.00	25,000.00	3,028.00	1,453,294.00
2026	1,305,000.00	125,144.00	25,000.00	2,426.00	1,457,570.00
2027	1,335,000.00	94,994.00	25,000.00	1,776.00	1,456,770.00
2028	465,000.00	64,044.00	5,000.00	1,126.00	535,170.00
2029	470,000.00	59,394.00	5,000.00	1,076.00	535,470.00
2030	475,000.00	54,106.00	5,000.00	1,018.00	535,124.00
2031	485,000.00	47,576.00	10,000.00	950.00	543,526.00
2032	490,000.00	40,300.00	10,000.00	800.00	541,100.00
2033	500,000.00	30,500.00	10,000.00	600.00	541,100.00
2034	510,000.00	20,500.00	10,000.00	400.00	540,900.00
2035	515,000.00	10,300.00	10,000.00	200.00	535,500.00
Total	<u>\$10,300,000.00</u>	<u>\$1,057,576.50</u>	<u>\$190,000.00</u>	<u>\$20,937.00</u>	<u>\$11,568,513.50</u>

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

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

Bond Anticipation Notes:

General Capital Fund:

\$2,324,400.00 bond anticipation notes issued 10/4/22
maturing on 3/17/23 at an interest rate of 3.92%

\$ 2,324,400.00

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2022, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2023, was \$2,350,000.00 for the Current Fund and \$125,000.00 for the Swimming Pool Utility Operating Fund.

NOTE 5: PROPERTY TAXES

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

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

	Balance December <u>31, 2022</u>	Balance December <u>31, 2021</u>
Prepaid Taxes	\$ <u>424,122.64</u>	\$ <u>391,541.90</u>

NOTE 6: PENSION PLANS

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

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

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

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

Vesting and Benefit Provisions

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

NOTE 6: PENSION PLANS

Vesting and Benefit Provisions (Continued)

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

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

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2022, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2022, members contributed at a uniform rate of 10.00% of base salary.

The Borough's share of pension, which is based upon the annual billings received from the State, amounted to \$1,564,030.32 for 2022, \$1,445,032.05 for 2021, and \$1,261,017.38 for 2020.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

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

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

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$6,218,751.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0412073126 percent, which was a decrease of 0.0004997349 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$350,868.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$488,438.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 44,884.00	\$ 39,581.00
Changes of assumptions	19,268.00	931,193.00
Net difference between projected and actual earnings on pension plan investments	257,388.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>343,073.00</u>	<u>101,153.00</u>
	<u>\$ 664,613.00</u>	<u>\$ 1,071,927.00</u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$485,054.00)
2024	(223,385.00)
2025	(84,152.00)
2026	337,528.00
2027	<u>47,749.00</u>
	<u>(\$407,314.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

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

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$7,989,273.00	\$6,218,751.00	\$4,711,965.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Borough as of December 31, 2022 was 0.0413719423%. The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$13,085.00.

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2022, the State reported a net pension liability of \$10,184,525.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2022, the Borough's proportion was 0.0889761300 percent, which was an increase of 0.0000522753 percent from its proportion measured as of June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

For the year ended June 30, 2022, the State recognized an actuarially determined pension expense of \$289,778.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2022, billing was \$976,060.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 460,979.00	\$ 623,941.00
Changes of assumptions	27,912.00	1,282,030.00
Net difference between projected and actual earnings on pension plan investments	932,603.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>929,156.00</u>	<u>20,243.00</u>
	\$ <u>2,350,650.00</u>	\$ <u>1,926,214.00</u>

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

Year Ended <u>June 30</u>	<u>Amount</u>
2023	\$ (327,606.40)
2024	(143,748.40)
2025	(128,321.40)
2026	829,542.60
2027	188,025.60
Thereafter	<u>6,544.00</u>
	\$ <u>424,436.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-16.25%
	Based on years of Service
Investment Rate of Return	7.00%

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

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

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

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

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$13,974,268.00	\$10,184,525.00	\$7,029,545.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of December 31, 2022 and 2021 is 0.0889760300% and 0.0837487470% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2022 and 2021 was \$225,653.00 and \$149,556.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was \$209,120.00 and \$191,738.00, respectively.

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,812,547.00 and \$1,721,618.00, respectively.

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

Borough's Proportionate Share of Net Pension Liability	\$10,184,525.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,812,547.00</u>
	<u>\$11,997,072.00</u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under the terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements. The Borough appropriates annually the amount required to be paid in that year's budget, if applicable, and no liability is accrued at December 31, 2022.

NOTE 8: DEFERRED COMPENSATION PLAN

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

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

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "Equitable").

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan is fully contributory and the Borough has no liabilities in conjunction with the plan.

NOTE 9: LITIGATION

The Borough's Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Borough.

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2022. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues, through the establishment of a reserve, or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has a reserve of \$82,893.22 at December 31, 2022.

NOTE 11: CONTINGENT LIABILITIES

The Borough participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2022, the Borough does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

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

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

<u>Year</u>	<u>Interest on Deposits</u>	<u>Municipal and Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 347.65	\$ 66,243.47	\$ 22,883.03	\$ 83,817.43
2021	27.38	39,986.92	29,793.55	40,109.34
2020	52.57	27,283.86	17,044.72	29,915.97

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

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

Single Employer Plan

Plan Description

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

Summary of Benefits

The Plan provides retirees and their eligible dependents medical and prescription benefits provided that they have met the eligibility requirements contained in the Borough's various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	33
Active employees	<u>60</u>
	<u>96</u>

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Contributions

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

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

Total OPEB Liability

The Borough's total OPEB liability of \$35,961,956.00 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	2.5%

Healthcare cost trend rates:

<u>Year</u>	<u>Medical</u> (Decreasing .20% <u>per year</u>)	<u>Prescription Drugs</u> (Decreasing .5% <u>per</u> <u>year</u>)
2022	5.3%	6.5%
Ultimate Rate (2026 and later years)	4.5%	4.5%

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Actuarial Assumptions (Continued)

Mortality

RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2022–December 31, 2022.

Discount Rate

The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAA or higher (or an equivalent quality on another scale). The plan is currently unfunded. We used the "Bond Buyers 20 Index" to establish a discount rate of 3.72% as of December 31, 2022.

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
Balance at 12/31/21	\$36,530,378.00
Changes for the year:	
Service Cost	33,530.00
Interest Cost	751,180.00
Difference Between Expected and Actual Experience	2,261,207.00
Change in Assumptions	(3,116,549.00)
Benefit Payments	<u>(797,790.00)</u>
Net Change in OPEB Liability	<u>(\$568,422.00)</u>
Balance at 12/31/22	<u>\$35,961,956.00</u>

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

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

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB 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 discount rate:

	December 31, 2022		
	1.00% <u>Decrease</u> (2.72%)	At Discount Rate (3.72%)	1.00% <u>Increase</u> (4.72%)
Total OPEB Liability	\$40,181,055	\$35,961,956	\$32,472,654

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

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

	December 31, 2022		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% Increase
Total OPEB	\$32,670,046	\$35,961,956	\$39,549,445

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

For the year ended December 31, 2022, the actuarially determined OPEB expense reflected in the Plan report was \$1,396,353.00. The OPEB expense recognized in the Borough's financial statement based on actual billing was \$797,790.00.

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation

Plan Description and Benefits Provided

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

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

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

Special Funding Situation

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

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

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

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

Special Funding Situation (Continued)

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

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of December 31, 2022 and 2021 is 0.176399% and 0.1846% respectively, and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was \$269,284.00 and \$259,412.00, respectively.

At June 30, 2022 and 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$5,951,366.00 and \$7,128,067.00 respectively.

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

Borough's proportionate share of the Net OPEB Liability	\$0.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	<u>5,951,366.00</u>
	<u>\$5,951,366.00</u>

Actuarial Assumptions and Other Inputs

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

Salary Increases:

Public Employees Retirement System (PERS):

Initial fiscal year applied	
Rate for all future years	2.75% to 6.55%

Police and Firemen's Retirement System (PFRS):

Rate for all future years	3.25% to 16.25%
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NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality

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

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

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

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

Discount Rate

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

OPEB Plan Fiduciary Net Position

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

NOTE 14: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through September 29, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no subsequent events need to be disclosed.

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,335.68	\$ 345.17
Animal Control Trust Fund		1,335.68
Trust Other Fund	345.17	
Swimming Pool Utility Operating Fund		555.59
Swimming Pool Utility Capital Fund	<u>555.59</u>	
	<u>\$ 2,236.44</u>	<u>\$ 2,236.44</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 16: FIXED ASSETS

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

	Balance December 31, <u>2021</u>	<u>Additions/(Deletions)</u>	Balance December 31, <u>2022</u>
Land	\$14,940,500.00	\$583,232.91	\$15,523,732.91
Buildings	6,708,100.00		6,708,100.00
Machinery and Equipment	<u>10,339,608.12</u>	<u>(\$807,668.12)</u>	<u>9,531,940.00</u>
	<u>\$31,988,208.12</u>	<u>\$2,885,335.16</u>	<u>\$31,763,772.91</u>

NOTE 17: LEASES

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

- Cell Tower – SMSA Limited Partnership D.B.A. Verizon Wireless. The current lease term expires 7/16/2032 with no available renewal extensions and includes increases at the beginning of each renewal extension based on the Consumer Price Index. Payments in 2022 totaled \$27,178.16.

BOROUGH OF METUCHEN

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2022

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2021	A	\$ 11,588,216.79	\$ 2,349,106.36
Increased by Receipts:			
Taxes Receivable	A-6	\$ 69,897,649.32	\$
Interfunds	A-22	345.17	
Tax Overpayments	A-15	91,141.04	
Prepaid Taxes	A-10	424,122.64	
Appropriation Refunds	A-3	586,020.98	
State of New Jersey-Senior Citizens Deductions	A-7	50,125.00	
Revenue Accounts Receivable	A-8	4,109,662.69	
Miscellaneous Revenue Not Anticipated	A-2	404,814.60	
Various Reserves	A-20	138,667.92	
Grants Unappropriated	A-16		2,111.52
Grants Receivable	A-18		395,977.45
		<u>75,702,569.36</u>	<u>398,088.97</u>
		\$ 87,290,786.15	\$ 2,747,195.33
Decreased by Disbursements:			
Appropriations	A-3	\$ 19,534,054.21	\$
Appropriation Reserves	A-9	783,597.36	
Accounts Payable	A-19	113,198.98	
Local District School Taxes	A-13	42,414,110.00	
County Taxes	A-12	10,641,175.78	
Tax Overpayments	A-15	12,502.63	
Various Reserves	A-20	58,117.11	
Special Improvement District Taxes	A-21	250,000.00	
Interfunds	A-22	436,547.75	
Grants Appropriated	A-17		737,435.99
		<u>74,243,303.82</u>	<u>737,435.99</u>
Balance, December 31, 2022	A	\$ <u>13,047,482.33</u>	\$ <u>2,009,759.34</u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF PETTY CASH

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	A	\$ <u>1,200.00</u>

ANALYSIS OF BALANCE:

Finance		\$ 300.00
Police		450.00
Public Works		300.00
Library		<u>150.00</u>
		\$ <u>1,200.00</u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2021	LEVY & ADDED	COLLECTIONS		TRANSFERRED TO LIENS	CANCELED	BALANCE DECEMBER 31, 2022
			2021	2022			
Prior	\$ 580,720.57	\$	\$	\$ 580,720.57	\$	\$	0.00
2022		70,349,499.07	391,541.90	69,393,736.66	8,683.67	38,249.03	517,287.81
	\$ 580,720.57	70,349,499.07	391,541.90	69,974,457.23	8,683.67	38,249.03	517,287.81
REF.	A		A-2; A-10	A-2	A-11		A

REF.

Cash
Overpayments Applied
State Share of Senior Citizens and Veterans Deductions

\$	69,897,649.32
	28,272.56
	50,535.35
\$	69,974,457.23

ANALYSIS OF 2022 PROPERTY TAX LEVY

TAX YIELD:

General Purpose Tax
Added and Omitted Tax (\$4.4-63.1 et seq.)

\$	70,224,241.15
	125,257.92
\$	70,349,499.07

TAX LEVY:

Local District School Tax
County Taxes:
County Tax
County Open Space Preservation Tax
County Taxes Added and Omitted

\$	42,414,110.00
	10,641,175.78

Local Tax for Municipal Purposes
Local Tax for Library Purposes
Special Improvement District Tax
Add: Additional Tax Levied
Local Tax for Municipal Purposes Levied

\$	16,018,843.77
	910,485.62
	250,000.00
	114,883.90
\$	17,294,213.29
\$	70,349,499.07

"A-7"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
CHAPTER 73, P.L. 1976

	<u>REF.</u>		
Balance, December 31, 2021 (Due From)	A		\$ 34,565.01
Increased by:			
Deductions Per Tax Billings	A-7	\$ 50,875.00	
Deductions Allowed By Collector	A-7	<u>1,250.00</u>	
			\$ <u>52,125.00</u>
			\$ 86,690.01
Decreased by:			
Received in Cash From State	A-4	\$ 50,125.00	
Senior Citizens Deductions Disallowed By Collector	A-7	<u>1,589.65</u>	
			<u>51,714.65</u>
Balance, December 31, 2022 (Due From)	A		\$ <u>34,975.36</u>

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

Deductions Per Tax Billing	A-7	\$ 50,875.00	
Deductions Allowed By Collector	A-7	<u>1,250.00</u>	
			\$ 52,125.00
Less:			
Senior Citizens Deductions Disallowed	A-7		<u>1,589.65</u>
	A-6		\$ <u>50,535.35</u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF.	BALANCE DECEMBER 31, 2021	ACCRUED IN 2022	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2022
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 18,590.00	\$ 18,590.00	\$
Other	A-2		1,100.00	1,100.00	
Fees and Permits	A-2		52,483.00	52,483.00	
Planning and Zoning:					
Fees and Permits	A-2		25,775.25	25,775.25	
Sidewalk Inspections:					
Fees and Permits	A-2		3,500.00	3,500.00	
Engineering:					
Fees and Permits	A-2		398.25	398.25	
Police:					
Fees and Permits	A-2		1,957.90	1,957.90	
Board of Health:					
Other Licenses	A-2		6,724.50	6,724.50	
Municipal Court Fines and Costs	A-2	15,012.91	137,677.60	139,344.81	13,345.70
Interest and Costs on Taxes	A-2		158,411.39	158,411.39	
Parking Meters	A-2		99,557.26	99,557.26	
Interest on Investments and Deposits	A-2		184,300.28	184,300.28	
Metuchen Senior Housing Service Charge	A-2		25,651.68	25,651.68	
Cable TV Franchise Fees	A-2		56,087.00	56,087.00	
Energy Receipts Tax	A-2		1,448,655.00	1,448,655.00	
Construction Code Official	A-2		552,364.00	552,364.00	
Uniform Fire Safety	A-2		46,808.47	46,808.47	
Parking Authority	A-2		250,000.00	250,000.00	
Sewer Service Charge	A-2		34,476.91	34,476.91	
A.R.P. Revenue Replacement	A-2		761,097.39	761,097.39	
Developer Contributions	A-2		242,379.60	242,379.60	
		\$ 15,012.91	\$ 4,107,995.48	\$ 4,109,662.69	\$ 13,345.70
	REF.	A		A-4	A

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	TRANSFERS AND PRIOR ACCOUNTS PAYABLE	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>					
Administrative and Executive Mayor and Council	\$ 3.63		\$ 3.63	\$	\$ 3.63
Clerk	800.00		800.00		800.00
Financial Administration	7,206.41		7,206.41	183.75	7,022.66
Assessment of Taxes	12,927.56		12,927.56	882.59	12,044.97
Public Works Administration	2,962.81		2,962.81		2,962.81
Forestry	1.97		1.97		1.97
Public Buildings and Grounds	13,293.79		13,293.79	7,646.72	5,647.07
Planning Board	43,667.29		43,667.29	2,855.13	40,812.16
Zoning Board of Adjustments	1,815.60		1,815.60		1,815.60
Fire Department	86.32		86.32		86.32
Police	10,896.28		10,896.28	52.50	10,843.78
Court	209,757.84		209,757.84	13,609.61	196,148.23
Streets & Roads	3,436.98	18,000.00	21,436.98	21,118.73	318.25
Sewers	42,767.75		42,767.75	15,394.93	27,372.82
Garbage & Trash	10,684.45		10,684.45	6,224.94	4,459.51
Health	31,362.60		31,362.60	24,071.03	7,291.57
Recreation Services and Programs	16.20		16.20		16.20
Parks & Playgrounds	58.27		58.27		58.27
Senior Bus	3,858.28		3,858.28	2,589.60	1,268.68
Senior Center	9,315.48		9,315.48		9,315.48
METV	1,470.00		1,470.00		1,470.00
Construction	8,568.69		8,568.69		8,568.69
	30,753.22		30,753.22	1,030.00	29,723.22
<u>OTHER EXPENSES:</u>					
Administrative and Executive Mayor and Council	96,613.16	87,376.44	183,989.60	52,231.28	131,758.32
Municipal Clerk	53.00	605.00	658.00	605.00	53.00
Election	1,125.50	189.72	1,315.22	173.00	1,142.22
Financial Administration	10,000.00		10,000.00	9,803.35	196.65
Collection of Taxes	5,734.86	10,877.90	16,612.76	7,676.89	8,935.87
Assessment of Taxes	2,938.40	339.02	3,277.42	2,858.64	418.78
Legal Services and Costs	34.44	4,675.24	4,709.68	4,266.96	442.72
Public Works	10,500.00	66,337.15	76,837.15	15,989.50	60,847.65
Forestry	5,285.25	1,149.57	6,434.82	1,088.43	5,346.39
Public Buildings and Grounds	5,405.42	994.40	6,399.82	956.11	5,443.71
Planning Board	17,733.03	36,264.66	53,997.69	30,907.69	23,090.00
Zoning Board of Adjustment	2,655.34		2,655.34		2,655.34
Fire Department	2,227.14	656.55	2,883.69	912.79	1,970.90
Fire Hydrant Service	32,134.42	104,835.33	136,969.75	92,066.68	44,703.07
Police	2,241.96	27,313.17	29,555.13	27,313.17	2,241.96
Auxiliary Police Department	11,011.02	59,048.37	70,059.39	48,728.89	21,329.50
Emergency Management Services	352.90	7,547.10	7,900.00	7,547.10	352.90
Municipal Court	12,580.65		12,580.65		12,580.65
Streets and Road Maintenance	9,228.63	(4,653.18)	4,575.45	613.32	3,962.13
Sewer System	20,451.32	111,133.35	131,584.67	116,310.98	15,273.69
Garbage and Trash Removal	684.95	13,213.44	13,898.39	7,230.15	6,668.24
Recycling	32.00	2,466.33	2,498.33	1,286.78	1,211.55
Solid Waste Collection	3,967.94	16,511.20	20,479.14	19,913.66	565.48
Shade Tree	1,410.46	30,466.01	31,876.47	27,552.01	4,324.46
Board of Health	60.00		60.00		60.00
Recreation Services and Programs	1,668.17	720.50	2,388.67	236.00	2,150.67
Parks and Playgrounds	13.40	2,351.24	2,364.64	537.00	1,827.64
Senior Citizen Center	18,203.85	7,394.23	25,598.08	7,394.22	18,203.86
METV Cable	9,246.21	914.47	10,160.68		10,160.68
Celebration Public Eve	13,609.83	2,855.00	16,464.83	2,700.00	13,764.83
J.I.F.	1,136.22	300.00	1,436.22	300.00	1,136.22
Group Insurance Waiver	8,518.00	4,600.00	13,118.00	13,032.00	86.00
	3,998.17		3,998.17		3,998.17

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2021</u>	<u>TRANSFERS AND PRIOR ACCOUNTS PAYABLE</u>	<u>ADJUSTED BALANCE</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>OTHER EXPENSES (CONTINUED):</u>					
Other Insurance	\$ 4,011.68	\$ 4,144.26	\$ 8,155.94	\$ 2,567.06	\$ 5,588.88
Construction	17,687.10	2,961.62	20,648.72	1,087.45	19,561.27
Gasoline/Diesel	13,240.48	62,889.33	76,129.81	7,078.63	69,051.18
Telephone		3,011.46	3,011.46	2,292.62	718.84
Street Lighting	26,086.12	6.47	26,092.59		26,092.59
Utilities	30,938.11		30,938.11	13,026.79	17,911.32
PERS	24.79		24.79		24.79
PFRS	19.00		19.00		19.00
DCRP	5,074.16		5,074.16	911.25	4,162.91
Social Security	9,447.24		9,447.24		9,447.24
Library	19,004.76		19,004.76	19,004.76	
MCUA	64,903.31		64,903.31	9,462.96	55,440.35
Animal Control	53,800.00		53,800.00	27,672.00	26,128.00
SUI	7,733.00		7,733.00	7,733.00	
Library Consortium	30.26		30.26		30.26
County Health Service	5,704.76		5,704.76		5,704.76
Shared Svc-Clerk		44,765.51	44,765.51	209.92	44,555.59
Capital Reserve		110,000.00	110,000.00	110,000.00	
TOTAL	\$ 1,014,267.83	\$ 842,060.86	\$ 1,856,328.69	\$ 796,938.57	\$ 1,059,390.12
	<u>REF.</u>	<u>A</u>	<u>A-19</u>		<u>A-1</u>
Disbursements	A-4			\$ 783,597.36	
Accounts Payable	A-19			13,341.21	
				<u>\$ 796,938.57</u>	

"A-10"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 391,541.90
Increased by:		
Receipts	A-4	<u>424,122.64</u>
		\$ <u>815,664.54</u>
Decreased by:		
Applied to Taxes Receivable	A-6	<u>391,541.90</u>
Balance, December 31, 2022	A	\$ <u><u>424,122.64</u></u>

"A-11"

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2021	A	\$ 145,420.14
Increased by:		
Transferred From Taxes Receivable	A-6	<u>8,683.67</u>
Balance, December 31, 2022	A	\$ <u><u>154,103.81</u></u>

"A-12"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Increased by:		
Tax Levy	A-1:A-6	\$ <u>10,641,175.78</u>
Decreased by:		
Payments	A-4	\$ <u>10,641,175.78</u>

"A-13"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
Levy-Calendar Year	A-1:A-6	\$ <u>42,414,110.00</u>
Decreased by:		
Payments	A-4	\$ <u>42,414,110.00</u>

"A-14"

BOROUGH OF METUCHEN
CURRENT FUND
SCHEDULE OF FORECLOSED PROPERTY

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	A	\$ <u>350,300.00</u>

"A-15"

SCHEDULE OF RESERVE FOR TAX OVERPAYMENTS

Balance, December 31, 2021	A	\$ 185,312.62
Increased by:		
Receipts	A-4	<u>91,141.04</u>
		\$ 276,453.66
Decreased by:		
Refunds	A-4	\$ 12,502.63
Applied To Taxes Receivable	A-6	26,272.56
Canceled	A-1	<u>99,833.80</u>
		<u>138,608.99</u>
Balance, December 31, 2022	A	\$ <u>137,844.67</u>

"A-16"

BOROUGH OF METUCHEN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

	<u>RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2022</u>
2023 Body Armor Fund	\$ <u>2,111.52</u>	\$ <u>2,111.52</u>
	\$ <u>2,111.52</u>	\$ <u>2,111.52</u>
<u>REF.</u>	A-4	A

BOROUGH OF METUCHEN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2021	APPROPRIATION	EXPENDED	BALANCE DECEMBER 31, 2022
2015 Middlesex County History Grant	\$ 1,356.23	\$	\$	\$ 1,356.23
2015 Alcohol Education and Rehab Fund	868.92			868.92
2017 Middlesex County History Grant	1,604.00			1,604.00
2017 Safe Routes to School Design	1,612.42			1,612.42
2018 Pedestrian Safety	825.00			825.00
2018 Alcohol Rehab	2,363.32			2,363.32
2018 COPS IN SHOPS SUMMER 2018	220.00			220.00
2018 COPS IN SHOPS FALL 2017-18	1,480.00			1,480.00
2018 MIDDLESEX COUNTY KENTNOR PARK	68,528.75			68,528.75
2019 Municipal Alliance	4,309.21		4,309.21	
2019 Middlesex County Capital-Arts	1,957,443.55		54,760.69	1,902,682.86
2019 DOT National Highway Safety	935.00			935.00
2019 Dept Law Public Safety Drive Sober	4,840.00			4,840.00
2019 DDEF	2,585.33		2,479.79	105.54
2019 Sustainable NJ	2,000.00			2,000.00
2019 DOT FHWA Safe Routes to Schools- Design	50,612.35			50,612.35
2020 Cops In Shops	220.00			220.00
2020 Drive Sober	1,630.00			1,630.00
2020 Pedestrian Safety	33,745.00		2,160.00	31,585.00
2020 Body Armor	864.18		864.18	
2020 Middlesex County Census	11,872.32			11,872.32
2020 ALA Plagoogle	2,000.00		496.96	1,503.04
2020 ANJEC Open Space Stewardship	72.00			72.00
2020 Clean Communities	32,186.59		32,186.59	
2020 Recycling Tonnage	36.25			36.25
2020 DOT Gove Ave Bike Lane	284,204.39		21,647.54	262,556.85
2021 Municipal Alliance	37.00		37.00	
2021 Cops in Shops	520.00			520.00
2021 Distracted Driving	2,440.00		2,440.00	
2021 DDEF	2,789.14			2,789.14
2021 Body Armor	2,341.48		2,341.48	
2021 DCA Shade Tree Project	50,000.00		48,135.00	1,865.00
2021 Etown Game on	1,000.00			1,000.00
2021 NJ Historic Preservation	15,000.00		3,750.00	11,250.00
2021 NJ Historic Preservation Match	5,000.00		5,000.00	
2021 Clean Communities	27,007.97		27,007.97	
2021 Recycling Tonnage	14,932.68			14,932.68
2021 Safe Routes to School UAPP	17,851.43			17,851.43
2021 Safe Routes to School	207,468.72			207,468.72
2021 Recycling Enhancement	7,500.00		7,500.00	
2021 Drive Sober	2,850.00		120.00	2,730.00
2021 Pedestrian Safety	12,000.00			12,000.00
2021 Worn Body Cameras	81,520.00		65,227.50	16,292.50
2021 Federal Bulletproof Vests	3,545.17		3,545.17	
2021 Click it or Ticket	5,880.00		420.00	5,460.00
2021 DCA Local Rec Improvements	350,000.00		350,000.00	
2021 DCA Fire Reno/Decontamination	100,000.00			100,000.00
2022 Cops in Shops		1,440.00	1,440.00	
2022 Distracted Driving		8,750.00	255.00	8,495.00
2022 Body Armor		2,800.00	1,164.72	1,635.28
2022 Elizabethtown First Responders		5,000.00	5,000.00	
2022 County Cultural Arts		6,350.00	5,569.25	780.75
2022 Recycling Tonnage		15,448.46		15,448.46
2022 DOT Transit Village-Bike Racks		18,000.00		16,000.00
2022 LEAP Implementation Joint Sewage Pump Station		250,000.00	57,732.50	192,267.50
2022 Municipal Alliance		7,688.00	7,688.00	
2022 Opioid Settlement		6,975.80		6,975.80
2022 Click It or Ticket		7,000.00		7,000.00
2022 Municipal Alliance- Youth Leadership		5,000.00	4,575.79	424.21
2022 Clean Communities		28,925.24	19,581.65	9,343.59
2022 DCA ARP Firefighter		33,000.00		33,000.00
	<u>\$ 3,378,098.40</u>	<u>\$ 394,377.50</u>	<u>\$ 737,435.99</u>	<u>\$ 3,035,039.91</u>

REF.

A

A-3:A-18

A-4

A

BOROUGH OF METUCHEN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2021	ACCRUED 2022	RECEIPTS	BALANCE DECEMBER 31, 2022
2015 Middlesex County History Grant	\$ 1.00			\$ 1.00
2015 Middlesex County History Grant	2,138.00			2,138.00
2016 DHTS Drive Sober Pulled Over Holiday Crackdown	5,000.00			5,000.00
2017 NJ DOT Federal Highway Admin Safe Routes to School	7,291.41			7,291.41
2018 Middlesex County Open Space Kentor Park	303,225.75		209,842.50	93,383.25
2019 Municipal Alliance	2,589.52		2,589.52	
2019 DEPT LAW Public SAFETY DRIVE SOBER	1,430.00			1,430.00
2019 DOT FHWA Safe Routes To Schools-Design	2,337.64			2,337.64
2020 Drive Sober	2,700.00			2,700.00
2020 Pedestrian Safety	20,825.00			20,825.00
2020 Federal Bulletproof Vests	1,084.11			1,084.11
2020 Middlesex County Census	11,872.32			11,872.32
2020 ANJEC Open Space Stewardship	500.00		428.00	72.00
2020 DOT Grove Ave Bike Lane	307,000.00			307,000.00
2021 Municipal Alliance	40.00		40.00	
2021 Cops in Shops	40.00			40.00
2021 Distracted Driving	7,600.00		2,695.00	4,905.00
2021 NJ Historic Preservation	15,000.00			15,000.00
2021 Safe Routes to School	109,252.12		84,252.12	25,000.00
2021 Recycling Enhancement	7,500.00			7,500.00
2021 Drive Sober	6,000.00		4,350.00	6,000.00
2021 Pedestrian Safety	12,000.00			7,650.00
2021 Worm Body Cameras	81,520.00			81,520.00
2021 Federal Bulletproof Vests	3,545.17			3,545.17
2021 Click It or Ticket	6,000.00			6,000.00
2021 DCA Local Rec Improvements	87,500.00			87,500.00
2021 DCA Fire Reno/Decontamination	25,000.00			25,000.00
2022 Cops in Shops		1,440.00		
2022 Distracted Driving		8,750.00		
2022 Body Armor		2,800.00		
2022 Elizabethtown First Responders		5,000.00	1,553.08	
2022 Country Cultural Arts		6,350.00	5,000.00	
2022 Recycling Tonnage		15,448.46	4,763.00	
2022 DOT Transit Village-Bike Racks		16,000.00	15,448.46	
2022 LEAP Implementation Joint Sewage Pump Station		250,000.00		
2022 Municipal Alliance		7,688.00		
2022 Opioid Settlement		6,975.80	15,484.25	
2022 Click It or Ticket		7,000.00	7,688.00	
2022 Municipal Alliance- Youth Leadership		5,000.00	6,975.80	
2022 Clean Communities		28,925.24	420.00	
2022 DCA ARP Firefighter		33,000.00	4,082.48	
			28,925.24	
			33,000.00	
	\$ 1,028,992.04	\$ 394,377.50	\$ 395,977.45	\$ 1,027,392.09

REE.

A-2-A-17

A-4

A

"A-19"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	A		\$ 1,027,571.98
Increased by:			
2022 Appropriations	A-3	\$ 794,548.18	
2021 Appropriation Reserves	A-9	<u>13,341.21</u>	
			807,889.39
			\$ <u>1,835,461.37</u>
Decreased by:			
Transferred to 2021 Appropriation Reserves	A-9	\$ 842,060.86	
Canceled	A-1	61,717.14	
Disbursements	A-4	<u>113,198.98</u>	
			<u>1,016,976.98</u>
Balance, December 31, 2022	A		\$ <u><u>818,484.39</u></u>

"A-20"

SCHEDULE OF VARIOUS RESERVES

Balance, December 31, 2021	A		\$ 104,592.40
Increased by:			
Receipts	A-4		<u>138,687.92</u>
			\$ <u>243,280.32</u>
Decreased by:			
Disbursements	A-4		<u>58,117.11</u>
Balance, December 31, 2022	A		\$ <u><u>185,163.21</u></u>
<u>Analysis of Balance:</u>			
Reserve for Redevelopment			\$ 10,830.21
Reserve for Due to Parking Authority			15,556.65
Reserve for Tax Appeals			82,893.22
Reserve for Municipal Relief Aid Unappropriated			<u>75,883.13</u>
			\$ <u><u>185,163.21</u></u>

"A-21"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 230.05
Increased by:		
Levy	A-1:A-6	<u>250,000.00</u>
		\$ 250,230.05
Decreased by:		
Disbursements	A-4	<u>250,000.00</u>
Balance, December 31, 2022	A	<u>\$ 230.05</u>

"A-22"

SCHEDULE OF INTERFUNDS

Balance, December 31, 2021 (Due To)		\$ 435,212.07
Increased by:		
Receipts	A-4	<u>345.17</u>
		\$ 435,557.24
Decreased by:		
Disbursements	A-4	<u>436,547.75</u>
Balance, December 31, 2022 (Due From)		<u>\$ 990.51</u>
<u>Analysis of Balance:</u>		
Due To Trust Other-Insurance Reserve	A	\$ (345.17)
Due From Animal Control Trust Fund	A	<u>1,335.68</u>
		\$ 990.51
Interfunds Returned (Advanced)	A-1	<u>\$ (1,335.68)</u>

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF TRUST CASH

	REF.	ANIMAL CONTROL		OTHER	
Balance, December 31, 2021	B	\$	8,275.17	\$	4,093,867.06
Increased by Receipts:					
Due State of New Jersey	B-6	\$	597.60	\$	
Due Current Fund	B-19				212.07
Reserve for:					
Animal Control Expenditures	B-3		7,046.40		
Trust Other	B-5				1,118,005.31
Payroll Deductions Payable	B-12				5,620,596.19
COAH	B-9				72,478.50
Recreation	B-13				230,485.16
Unemployment	B-7				66,591.12
Police Outside Overtime	B-11				491,481.00
Law Enforcement	B-14				1,910.21
Developers Escrow	B-10				522,863.37
Forfeiture	B-15				69,725.00
Equitable Sharing Forfeiture	B-17				191.66
Election	B-4				26,612.76
Fire Penalties	B-16				1,747.44
			<u>7,644.00</u>		<u>8,222,899.79</u>
		\$	<u>15,919.17</u>	\$	<u>12,316,766.85</u>
Decreased by Disbursements:					
Due State of New Jersey	B-6	\$	618.00	\$	
Reserve for:					
Animal Control Expenditures	B-3		918.29		
Trust Other	B-5				1,354,930.21
Payroll Deductions Payable	B-12				5,572,259.84
Recreation	B-13				207,772.76
Unemployment	B-7				22,883.03
Police Outside Overtime	B-11				491,192.00
Law Enforcement	B-14				33.96
Developers Escrow	B-10				551,027.62
Election	B-4				27,217.63
Fire Penalties	B-16				1,733.00
Due Current Fund	B-19				345.17
			<u>1,536.29</u>		<u>8,229,395.22</u>
Balance, December 31, 2022	B	\$	<u>14,382.88</u>	\$	<u>4,087,371.63</u>

BOROUGH OF METUCHEN

OTHER TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	B		\$ 17,899.72
Increased by:			
Trust Other	B-5	\$ 214,161.22	
Recreation	B-13	<u>7,796.95</u>	
			<u>221,958.17</u>
			\$ 239,857.89
Decreased by:			
Trust Other	B-5	\$ 12,767.89	
Recreation	B-13	<u>5,131.83</u>	
			<u>17,899.72</u>
Balance, December 31, 2022	B		\$ <u><u>221,958.17</u></u>

ANALYSIS OF BALANCE

Trust Other	\$ 214,161.22
Recreation	<u>7,796.95</u>
	\$ <u><u>221,958.17</u></u>

"B-3"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	8,231.97
Increased by:			
Dog and Cat License Fees	B-1		<u>7,046.40</u>
		\$	<u>15,278.37</u>
Decreased by:			
Disbursements	B-1	\$	918.29
Excess Reserve Due to Current Funds	B-18		<u>1,335.68</u>
			<u>2,253.97</u>
Balance, December 31, 2022	B	\$	<u><u>13,024.40</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$ 5,628.40
2021	<u>7,396.00</u>
	\$ <u><u>13,024.40</u></u>

"B-4"

SCHEDULE OF RESERVE FOR ELECTION

Balance, December 31, 2021	B	\$	1,644.45
Increased by:			
Receipts	B-1		<u>26,612.76</u>
		\$	<u>28,257.21</u>
Decreased by:			
Disbursements	B-1		<u>27,217.63</u>
Balance, December 31, 2022	B	\$	<u><u>1,039.58</u></u>

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2021	INCREASES	DECREASES	BALANCE DECEMBER 31, 2022
Fire Inspections	\$ 83,085.21	\$ 46,475.60	\$ 61,120.70	\$ 68,440.11
Insurance Reserves	1,246,675.29	321,679.31	455,004.01	1,113,350.59
Lien Redemption	15,251.39	596,324.26	533,006.14	78,569.51
Donations	204,420.39	1,300.00	9,830.00	195,890.39
Senior Citizen	16,514.54	1,921.48	260.00	18,176.02
Tax Premiums	532,600.00	155,000.00	293,400.00	394,200.00
Public Defender	8,260.50	7,286.50	6,700.00	8,847.00
Community Development Block Grants	116,241.11	124,108.00	209,770.58	30,578.53
Replacement Tree Planting	101,275.50			101,275.50
POAA	3,464.50	786.05		4,250.55
Copier Leases	600.73			600.73
Other	228.89			228.89
	<u>\$ 2,328,618.05</u>	<u>\$ 1,254,881.20</u>	<u>\$ 1,569,091.43</u>	<u>\$ 2,014,407.82</u>

B

REF. B

Receipts	\$ 1,118,005.31			
Community Development Block Grants	124,108.00			
Prior Year Accounts Payable	<u>12,767.89</u>			
	<u>\$ 1,254,881.20</u>			
Disbursements		\$ 1,354,930.21		
Accounts Payable		<u>214,161.22</u>		
		<u>\$ 1,569,091.43</u>		

"B-6"

BOROUGH OF METUCHEN

ANIMAL CONTROL FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 43.20
Increased by:		
License Fees Due to the State	B-1	597.60
		<u>\$ 640.80</u>
Decreased by:		
Payments	B-1	618.00
		<u>618.00</u>
Balance, December 31, 2022	B	<u>\$ 22.80</u>

"B-7"

SCHEDULE OF RESERVE FOR
UNEMPLOYMENT COMPENSATION INSURANCE

Balance, December 31, 2021	B	\$ 40,109.34
Increased by:		
Receipts	B-1	66,591.12
		<u>\$ 106,700.46</u>
Decreased by:		
Disbursement	B-1	22,883.03
		<u>22,883.03</u>
Balance, December 31, 2022	B	<u>\$ 83,817.43</u>

"B-8"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 241,265.98
Increased by:		
Community Development Block Grants	B-5	<u>124,108.00</u>
Balance, December 31, 2022	B	<u>\$ 365,373.98</u>

"B-9"

SCHEDULE OF RESERVE FOR COAH

Balance, December 31, 2021	B	\$ 635,609.20
Increased by:		
Receipts	B-1	<u>72,478.50</u>
Balance, December 31, 2022	B	<u>\$ 708,087.70</u>

"B-10"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF ESCROW DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	808,399.71
Increased by:			
Receipts	B-1		<u>522,863.37</u>
		\$	<u>1,331,263.08</u>
Decreased by:			
Disbursements	B-1		<u>551,027.62</u>
Balance, December 31, 2022	B	\$	<u><u>780,235.46</u></u>

"B-11"

SCHEDULE OF RESERVE FOR
POLICE OUTSIDE OVERTIME

Balance, December 31, 2021	B	\$	124,164.37
Increased by:			
Receipts	B-1		<u>491,481.00</u>
		\$	<u>615,645.37</u>
Decreased by:			
Disbursements	B-1		<u>491,192.00</u>
Balance, December 31, 2022	B	\$	<u><u>124,453.37</u></u>

"B-12"

SCHEDULE OF RESERVE FOR
PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2021	B	\$	84,650.40
Increased by:			
Deposits-Payroll Deductions	B-1		<u>5,620,596.19</u>
		\$	<u>5,705,246.59</u>
Decreased by:			
Payments	B-1		<u>5,572,259.84</u>
Balance, December 31, 2022	B	\$	<u><u>132,986.75</u></u>

"B-13"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION

	<u>REF.</u>		
Balance, December 31, 2021	B		\$ 175,548.87
Increased by:			
Receipts	B-1	\$ 230,485.16	
Prior Year Accounts Payable	B-2	<u>5,131.83</u>	
			<u>235,616.99</u>
			\$ <u>411,165.86</u>
Decreased by:			
Disbursements	B-1	\$ 207,772.76	
Accounts Payable	B-2	<u>7,796.95</u>	
			<u>215,569.71</u>
Balance, December 31, 2022	B		\$ <u><u>195,596.15</u></u>

"B-14"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT

Balance, December 31, 2021	B		\$ 1,824.68
Increased by:			
Receipts	B-1		<u>1,910.21</u>
			\$ <u>3,734.89</u>
Decreased by:			
Disbursements	B-1		<u>33.96</u>
Balance, December 31, 2022	B		\$ <u><u>3,700.93</u></u>

"B-15"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR FORFEITURE

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 86,301.89
Increased by:		
Receipts	B-1	<u>69,725.00</u>
Balance, December 31, 2022	B	<u>\$ 156,026.89</u>

"B-16"

SCHEDULE OF RESERVE FOR FIRE PENALTIES

Balance, December 31, 2021	B	\$ 2,139.88
Increased by:		
Receipts	B-1	<u>1,747.44</u>
		\$ <u>3,887.32</u>
Decreased by:		
Disbursements	B-1	<u>1,733.00</u>
Balance, December 31, 2022	B	<u>\$ 2,154.32</u>

"B-17"

BOROUGH OF METUCHEN

OTHER TRUST FUND

SCHEDULE OF RESERVE FOR EQUITABLE SHARING FORFEITURE

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 28,434.55
Increased by:		
Receipts	B-1	<u>191.66</u>
Balance, December 31, 2022	B	<u>\$ 28,626.21</u>

"B-18"

SCHEDULE OF DUE CURRENT FUND- ANIMAL CONTROL FUND

Increased by:		
Excess Reserve for Animal Control Fund Expenditures	B-3	\$ <u>1,335.68</u>
Balance, December 31, 2022 (Due To)	B	<u>\$ 1,335.68</u>

"B-19"

SCHEDULE OF DUE CURRENT FUND- OTHER TRUST FUND

Balance, December 31, 2021 (Due From)	B	\$ 212.07
Increased by:		
Disbursements	B-1	<u>345.17</u>
		\$ <u>557.24</u>
Decreased by:		
Receipts	B-1	<u>212.07</u>
Balance, December 31, 2022 (Due From)	B	<u>\$ 345.17</u>

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2021	C		\$ 4,095,012.99
Increased by Receipts:			
Grants Receivable	C-9	\$ 880,529.98	
Interfunds	C-14	435,000.00	
Reserve for Preliminary Plan Expenses	C-15	100,000.00	
Reserve for Capital Improvements	C-6	2,352,379.60	
Capital Improvement Fund	C-8	200,000.00	
Bond Anticipation Notes Payable	C-13	<u>2,324,400.00</u>	
			<u>6,292,309.58</u>
			\$ 10,387,322.57
Decreased by Disbursements:			
Contracts Payable	C-7	\$ 3,180,309.90	
Reserve for Preliminary Plan Expenses	C-15	<u>59,000.00</u>	
			<u>3,239,309.90</u>
Balance, December 31, 2022	C		\$ <u>7,148,012.67</u>

"C-3"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>REF.</u>	BALANCE DECEMBER 31, 2022
Fund Balance		\$ 71,092.06
Capital Improvement Fund		65,644.60
Reserve for Preliminary Plan Expenses		101,000.00
Improvement Authorizations-Funded		1,059,298.17
Unfunded Improvements Expended - Listed on "C-5"		(7,398,889.50)
Contracts Payable		10,067,757.81
Unexpended Proceeds of Bond Anticipation Notes - Listed on "C-5"		1,445,532.84
Grants Receivable		(1,599,549.78)
Reserve for Capital Improvements		<u>3,336,126.44</u>
	C	<u>\$ 7,148,012.67</u>

"C-4"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

Balance, December 31, 2021	C	\$ 11,511,424.00
Decreased by: Bonds Paid	C-11	<u>1,211,424.00</u>
Balance, December 31, 2022	C	<u>\$ 10,300,000.00</u>

"C-6"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS

	<u>REF.</u>		
Balance, December 31, 2021	C		\$ 1,896,126.44
Increased by:			
Receipts	C-2		<u>2,352,379.60</u>
			4,248,506.04
Decreased by:			
New Improvement Authorization Funding	C-10	\$ 852,379.60	
Reserve for Preliminary Plan Expenses Funding	C-15	<u>60,000.00</u>	
			<u>912,379.60</u>
Balance, December 31, 2022	C		<u>\$ 3,336,126.44</u>

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2021	C		\$ 2,891,493.99
Increased by:			
Improvement Authorizations	C-10		<u>10,934,767.72</u>
			\$ 13,826,261.71
Decreased by:			
Disbursements	C-2	\$ 3,180,309.90	
Canceled	C-10	<u>578,194.00</u>	
			<u>3,758,503.90</u>
Balance, December 31, 2022	C		<u>\$ 10,067,757.81</u>

"C-8"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 68,865.00
Increased by:		
Current Year Budget Appropriation	C-2	200,000.00
		<u>\$ 268,865.00</u>
Decreased by:		
New Improvement Authorization Funding	C-10	<u>203,220.40</u>
Balance, December 31, 2022	C	<u><u>\$ 65,644.60</u></u>

"C-9"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2021	C	\$ 1,186,079.76
Increased by:		
New Authorizations Funded by Grants	C-10	1,294,000.00
		<u>\$ 2,480,079.76</u>
Decreased by:		
Receipts	C-2	<u>880,529.98</u>
Balance, December 31, 2022	C	<u><u>\$ 1,599,549.78</u></u>

BOROUGH OF METUCHEN
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2021		NEW AUTHORIZATIONS	CONTRACTS PAYABLE	CONTRACTS PAYABLE CANCELED	BALANCE DECEMBER 31, 2022		REF.
				FUNDED	UNFUNDED				FUNDED	UNFUNDED	
00-07	Various Improvements	4/3/00	\$ 1,220,000.00	\$ 2,680.50	\$	\$	\$	\$	\$ 2,680.50	\$	
02-01/04-11	Construction of Municipal Building	2/19/02	7,220,000.00	9,848.72					848.72		
03-09	Various Improvements	6/17/03	472,000.00	1,499.83					1,499.83		
04-05	Various Improvements	4/19/04	1,212,000.00	195.52					195.52		
05-04	Various Improvements	4/4/05	1,919,100.00	251.45					251.45		
06-05	Various Improvements	6/2/06	1,611,000.00	594.98					594.98		
07-03	Various Improvements	4/16/07	1,677,100.00	224.97					224.97		
08-07	Various Improvements	7/22/08	1,312,500.00	1,029.70					1,029.70		
10-03	Various Improvements	2/18/10	1,093,100.00	3,816.21					3,816.21		
10-03	Various Improvements	6/20/11	1,970,100.00	10,134.49					10,134.49		
11-07	Various Improvements	5/21/12	1,088,700.00	1,703.78					1,703.78		
12-04	Various Improvements	12/2/13	854,064.00	4,973.20					4,973.20		
13-9	Various Improvements	6/23/14	734,129.00	54,977.37					54,977.37		
14-9	Various Improvements	7/8/16	2,823,000.00	34,199.42					34,199.42		
16-17	Various Improvements	10/16/17	1,213,100.00	71,991.50					71,991.50		
17-17	Various Improvements	6/4/18	1,068,600.00	51,494.53					51,494.53		
18-12	Various Improvements	6/24/19	1,816,100.00	229,661.03					229,661.03		
19-10	Various Improvements	2/3/20 / 3/22/21 / 5/9/22	7,440,000.00	4,289,101.50		3,340,000.00	7,006,185.00	578,194.00	1,201,110.50		
20-04/21-06/22-06	Pump Station	7/13/20	2,128,000.00	279,634.30			717,862.68		279,634.30		
20-14	Various Improvements	8/23/21	3,228,000.00	1,000,502.26		610,000.00	583,232.91		282,619.58		
21-11	Various Improvements	3/14/22 / 5/23/22	610,000.00			4,054,000.00	2,618,467.13		26,767.09		
22-03/ 22-10	Land Purchase		4,064,000.00								
22-08	Various Improvements										
				\$ 1,759,413.76	\$ 4,289,101.50	\$ 8,014,000.00	\$ 10,934,767.72	\$ 578,194.00	\$ 1,059,298.17	\$ 2,646,643.37	
				C	C	C	C-7	C-7	C	C	C:C-5

Deferred Changes to Future Taxation - Unfunded
 Grants Receivable
 Reserve for Capital Improvements
 Capital Improvement Fund

C-5
 C-9
 C-6
 C-8

"C-11"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2022
			DATE	AMOUNT			
General Improvement	9/1/2014	\$ 8,402,000.00	09/01/23	\$ 790,000.00	2.375%	\$	\$
			09/01/24	810,000.00	2.500%		
			09/01/25	830,000.00	3.000%		
			09/01/26	855,000.00	3.000%		
			09/01/27	880,000.00	3.000%		
General Improvement	9/24/2021	6,571,424.00	09/01/23	435,000.00	0.050%	4,940,000.00	4,165,000.00
			09/01/24	440,000.00	0.050%		
			09/01/25	445,000.00	0.050%		
			09/01/26	450,000.00	1.000%		
			09/01/27	455,000.00	1.000%		
			09/01/28	465,000.00	1.000%		
			09/01/29	470,000.00	1.125%		
			09/01/30	475,000.00	1.375%		
			09/01/31	485,000.00	1.500%		
			09/01/32	490,000.00	2.000%		
09/01/33	500,000.00	2.000%					
09/01/34	510,000.00	2.000%					
09/01/35	515,000.00	2.000%					
						6,571,424.00	436,424.00
						\$ 11,511,424.00	\$ 1,211,424.00
						\$ 10,300,000.00	\$ 10,300,000.00

REF.

C

C-4

C

"C-12"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2022</u>
2020-04 / 2021-06/ 2022-06	Various Improvements	\$ <u>8,600,000.00</u>
		\$ <u>8,600,000.00</u>

"C-13"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2022</u>
2022-08 Various Improvements	10/4/22	3/17/23	3.92%	\$ <u>2,324,400.00</u>	\$ <u>2,324,400.00</u>
				\$ <u>2,324,400.00</u>	\$ <u>2,324,400.00</u>
			<u>REF.</u>	C-2	C:C-5

"C-14"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	
Balance, December 31, 2021 (Due From)	C	\$ <u>435,000.00</u>
Decreased by:		
Receipts	C-2	\$ <u>435,000.00</u>

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY PLAN EXPENSES

	<u>REF.</u>		
Increased by:			
Current Year Budget Appropriation	C-2	\$ 100,000.00	
Funded by Reserve for Capital Improvements	C-6	<u>60,000.00</u>	
			\$ 160,000.00
Decreased by:			
Disbursements	C-2		<u>59,000.00</u>
Balance, December 31, 2022	C		\$ <u>101,000.00</u>
 <u>Analysis of Balance</u>			
Open Space Recreation Facility			\$ 1,000.00
Public Safety Improvements Architectural Work			<u>100,000.00</u>
			\$ <u>101,000.00</u>

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2021	D	\$ 528,600.43	\$ 13,332.82
Increased by Receipts:			
Anticipated Revenue	D-3	\$ 447,375.00	\$
Non-Budget Revenue	D-3	27,291.72	
Reserve for Amortization	D-12		600.00
Interfunds	D-18; D-19	600.00	76.71
		<u>475,266.72</u>	<u>676.71</u>
		\$ 1,003,867.15	\$ 14,009.53
Decreased by Disbursements:			
Appropriations	D-4	\$ 447,816.83	\$
Appropriation Reserves	D-7	2,598.25	
Accounts Payable	D-10	3,500.00	
Accrued Interest on Bonds	D-11	4,174.48	
Contracts Payable	D-17		2,500.00
Interfunds	D-18; D-19	16.88	659.83
		<u>458,106.44</u>	<u>3,159.83</u>
Balance, December 31, 2022	D	\$ 545,760.71	\$ 10,849.70

"D-6"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	D	\$ <u>111,000.00</u>

Analysis of Balance:

<u>Number</u>	<u>Description</u>	<u>Date</u>	
16-16	Improvements to Swimming Pool	07/18/16	\$ <u>111,000.00</u>
			\$ <u>111,000.00</u>

"D-7"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>EXPENDED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 40.08	\$ 40.08	\$	\$ 40.08
Other Expenses	2,725.14	4,113.94	1,598.25	2,515.69
	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>	
Statutory Expenditures:				
Unemployment	\$ 3,765.22	\$ 5,154.02	\$ 2,598.25	\$ 2,555.77
	<u>3,765.22</u>	<u>5,154.02</u>	<u>2,598.25</u>	<u>2,555.77</u>
Appropriation Reserves	\$ 3,765.22			
Transferred from Accounts Payable		<u>1,388.80</u>		
	\$	<u>5,154.02</u>		

REF.

D-7
D-10

D-5

D-2

"D-8"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>BALANCE</u>	
				<u>DECEMBER 31, 2021 & 2022 FUNDED</u>	<u>UNFUNDED</u>
16-16	Improvements to Swimming Pool	7/18/2016	\$ 111,000.00	\$ - 0 -	\$ 2,630.83
				<u>\$ - 0 -</u>	<u>\$ 2,630.83</u>

REF.

D

"D-9"

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2021 and December 31, 2022	D	\$ <u>8,338.46</u>
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"D-10"

SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2021	D	\$ 5,888.80
Increased by:		
Current Year Budget Appropriations	D-4	<u>11,410.11</u>
		\$ <u>17,298.91</u>
Decreased by:		
Disbursements	D-5	\$ 3,500.00
Transferred to Appropriation Reserve	D-7	<u>1,388.80</u>
		<u>4,888.80</u>
Balance, December 31, 2022	D	\$ <u>12,410.11</u>

"D-11"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 1,709.96
Increased by:		
Budget Appropriation	D-4	4,400.00
		<u>\$ 6,109.96</u>
Decreased by:		
Disbursements	D-5	4,174.48
Balance, December 31, 2022	D	<u>\$ 1,935.48</u>

"D-12"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2021	D	\$ 1,275,131.00
Increased by:		
Bonds Paid	D-14	\$ 29,450.00
Deferred Charge Raised in Current Year Budget	D-5; D-15	<u>600.00</u>
		<u>30,050.00</u>
Balance, December 31, 2022	D	<u>\$ 1,305,181.00</u>

ANALYSIS OF BALANCE:

Swimming Pool and Bathhouse	\$ 344,027.00
Cover for Swimming Pool	6,449.00
Landscape	2,598.00
Improvements to Swimming Pool	524,577.00
Improvements to Wading Pool	8,365.00
Improvements to Swimming Pool	159,400.00
Improvements to Swimming Pool	200,000.00
Improvements to Swimming Pool	9,715.00
Improvements to Swimming Pool	40,000.00
Improvements to Swimming Pool	9,450.00
Improvements to Swimming Pool	200.00
Improvements to Swimming Pool	400.00
	<u>\$ 1,305,181.00</u>

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

REF.

Balance, December 31, 2021 and December 31, 2022	D	\$ <u>1,395,731.00</u>
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ANALYSIS OF BALANCE:

Swimming Pool and Bathhouse	\$ 344,027.00
Cover for Swimming Pool	6,449.00
Landscape	2,598.00
Improvements to Swimming Pool	300,000.00
Improvements to Swimming Pool	524,577.00
Improvements to Wading Pool	8,365.00
Improvements to Swimming Pool	200,000.00
Improvements to Swimming Pool	<u>9,715.00</u>
	\$ <u>1,395,731.00</u>

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURES OF BONDS OUTSTANDING	INTEREST RATE	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2022
Pool Improvements	12/17/14	\$ 258,000.00	09/01/23	2.375%	\$ 120,000.00	\$ 100,000.00
			09/01/24	2.500%		
			09/01/25-27	3.000%		
Pool Improvements	9/24/21	99,450.00	9/1/23-25	0.050%	99,450.00	90,000.00
			9/1/26-28	1.000%		
			09/01/29	1.125%		
			09/01/30	1.375%		
			09/01/31	1.500%		
		9/1/32-35	2.000%	10,000.00		
					\$ 219,450.00	\$ 190,000.00

REF. D D-12 D

"D-15"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF BONDS AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>DECREASED</u>
93-14	Improvement to Swimming Pool	\$ 200.00	\$ 200.00
08-8	Improvement to Swimming Pool	400.00	400.00
		<u>\$ 600.00</u>	<u>\$ 600.00</u>
	REF.		D-12

"D-16"

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	D	\$ <u>11,550.00</u>
<u>Analysis of Balance:</u>		
<u>Number</u>	<u>Description</u>	<u>Date</u>
16-16	Improvements to Swimming Pool	07/18/16
		\$ <u>11,550.00</u>
		\$ <u>11,550.00</u>

"D-17"

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

REF.

Balance, December 31, 2021	D	\$ <u>2,500.00</u>
Decreased by: Disbursements	D-5	\$ <u>2,500.00</u>

"D-18"

BOROUGH OF METUCHEN
SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>		
Balance, December 31, 2021 (Due From)	D	\$	27.53
Increased by:			
Disbursements	D-5		16.88
		\$	<u>44.41</u>
Decreased by:			
Receipts	D-5		600.00
			<u>600.00</u>
Balance, December 31, 2022 (Due To)	D	\$	<u>555.59</u>

"D-19"

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

Balance, December 31, 2021 (Due To)	D	\$	27.53
Increased by:			
Receipts	D-5		76.71
		\$	<u>104.24</u>
Decreased by:			
Disbursements	D-5		659.83
			<u>659.83</u>
Balance, December 31, 2022 (Due From)	D	\$	<u>555.59</u>

BOROUGH OF METUCHEN

PART II

SINGLE AUDIT SECTION

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

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

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

The Honorable Mayor and Members
of the Borough Council
Borough of Metuchen
County of Middlesex
Metuchen, New Jersey 08840

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Metuchen, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated September 29, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Metuchen prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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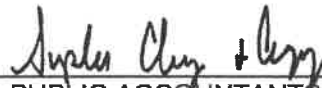
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

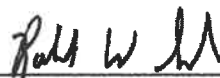
As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 29, 2023



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the Borough Council
Borough of Metuchen
County of Middlesex
Metuchen, New Jersey 08840

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Metuchen, County of Middlesex, State of New Jersey (the "Borough") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2022. The Borough'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 Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

SUPLEE, CLOONEY & COMPANY

We are required to be independent of the Borough 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 the Borough's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

SUPLEE, CLOONEY & COMPANY

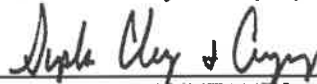
Report on Internal Control over Compliance

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

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 29, 2023

SCHEDULE 1

BOROUGH OF METUCHEN

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

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	RECEIVED	EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENTS	CUMULATIVE EXPENDITURES DECEMBER 31, 2022
		FROM	TO					
Distracted Driving Incentive	20.616	1/1/2022 --	12/31/2022	8,750.00	2,695.00	255.00		255.00
Cops In Shops	20.616	1/1/2022 --	12/31/2022	1,440.00	1,440.00	1,440.00		1,440.00
Safe Routes To Schools	20.205	1/1/2022 --	12/31/2022	291,325.40				66,005.25
ARP LFRF Revenue Replacement	21.027	3/3/2021 --	12/31/2024	761,097.39	761,097.39	761,097.39		761,097.39
ARP DCA Firefighter	21.027	3/3/2021 --	12/31/2024	33,000.00				
Totals					<u>\$ 765,232.39</u>	<u>\$ 762,792.39</u>	<u>\$</u>	<u>\$ 828,797.64</u>

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

BOROUGH OF METUCHEN

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal awards programs of the Borough of Metuchen, County of Middlesex, New Jersey. All federal awards received directly from agencies is included on the Schedule of Expenditures of Federal Awards.

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORT

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal financial reports. In addition, the Borough has not elected to use the 10% de minimus cost rate as covered in 2 CFR 200.414 (F&AS) costs.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund or General Capital Fund.

Receipts:

	<u>Federal</u>	<u>Total</u>
Current/Grant Fund	\$ <u>765,232.39</u>	\$ <u>765,232.39</u>
	\$ <u>765,232.39</u>	\$ <u>765,232.39</u>

Expenditures:

	<u>Federal</u>	<u>Total</u>
Current/Grant Fund	\$ <u>762,792.39</u>	\$ <u>762,792.39</u>
	\$ <u>762,792.39</u>	\$ <u>762,792.39</u>

NOTE 5. OTHER

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

BOROUGH OF METUCHEN
MIDDLESEX COUNTY, NEW JERSEY

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

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Programs(s)

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

- | | |
|---|----------------------------------|
| (4) Identification of Major Federal Program(s): | |
| <u>Program</u> | <u>Assistance Listing Number</u> |
| American Recovery Plan Act | 21.027 |

BOROUGH OF METUCHEN
MIDDLESEX COUNTY, NEW JERSEY

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

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

- (5) Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00

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

State Program(s) – Not Applicable

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

Internal Control Findings

None Reported.

Compliance Findings

None Reported

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

Federal Programs - None Reported

Status of Prior Year Audit Findings - Not Applicable

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BOROUGH OF METUCHEN

PART III

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

	<u>YEAR 2022</u>		<u>YEAR 2021</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,100,000.00	1.42%	\$ 1,375,000.00	1.79%
Miscellaneous - From Other Than Local Property Tax Levies	6,129,795.85	7.90%	6,826,895.37	8.91%
Collection of Delinquent Taxes and Tax Title Liens	580,720.57	0.75%	569,983.28	0.74%
Collections of Current Tax Levy	<u>69,785,278.56</u>	<u>89.93%</u>	<u>67,873,318.38</u>	<u>88.56%</u>
<u>Total Revenue</u>	<u>\$ 77,595,794.98</u>	<u>100.00%</u>	<u>\$ 76,645,197.03</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 21,426,450.70	28.67%	\$ 21,161,089.68	28.97%
County Taxes	10,641,175.78	14.24%	10,016,766.23	13.71%
Local School District Taxes	42,414,110.00	56.75%	41,628,062.00	57.00%
Special Improvement District Taxes	250,000.00	0.33%	225,053.93	0.31%
Other Expenditures	<u>1,335.68</u>	<u>0.01%</u>	<u>5,095.96</u>	<u>0.01%</u>
<u>Total Expenditures</u>	<u>\$ 74,733,072.16</u>	<u>100.00%</u>	<u>\$ 73,036,067.80</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,862,722.82		\$ 3,609,129.23	
Fund Balance - January 1	<u>8,465,252.95</u>		<u>6,231,123.72</u>	
	\$ 11,327,975.77		\$ 9,840,252.95	
Less: Utilization as Anticipated Revenue	<u>1,100,000.00</u>		<u>1,375,000.00</u>	
Fund Balance, December 31	<u>\$ 10,227,975.77</u>		<u>\$ 8,465,252.95</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - SWIMMING POOL UTILITY OPERATING FUND

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 100,000.00	17.32%	\$ 50,000.00	5.82%
Collection of Pool Membership & Guest Fees	447,375.00	77.51%	405,921.00	47.22%
A.R.P. Revenue Replacement	0.00	0.00%	355,000.00	41.30%
Miscellaneous	29,847.49	5.17%	48,686.97	5.66%
<u>Total Revenue</u>	\$ 577,222.49	100.00%	\$ 859,607.97	100.00%
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 425,600.00	88.83%	\$ 375,950.00	92.82%
Capital Improvements	33,900.00	7.08%	28,050.00	6.93%
Statutory Expenditures	19,600.00	4.09%	1,000.00	0.25%
<u>Total Expenditures</u>	\$ 479,100.00	100.00%	\$ 405,000.00	100.00%
Excess In Revenue	\$ 98,122.49		\$ 454,607.97	
Fund Balance - January 1	517,263.98		112,656.01	
	\$ 615,386.47		\$ 567,263.98	
Less: Utilization as Anticipated Revenue	100,000.00		50,000.00	
Fund Balance, December 31	\$ 515,386.47		\$ 517,263.98	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	\$ <u>6.371</u>	\$ <u>6.225</u>	\$ <u>6.143</u>
Municipal	\$ 1.459	\$ 1.421	\$ 1.374
Municipal Library	0.083	0.076	0.074
County	0.892	0.845	0.829
County Open Space	0.075	0.070	0.069
Local School	3.862	3.813	3.797

Assessed Valuations:

2022	<u>\$1,098,324,300.00</u>		
2021		<u>\$1,091,764,400.00</u>	
2020			<u>\$1,081,688,100.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation will 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 Collection</u>
2022	\$ 70,349,499.07	\$ 69,785,278.56	99.19%
2021	68,462,523.63	67,873,318.38	99.13%
2020	66,964,892.88	66,371,959.11	99.11%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$154,103.81	\$517,287.81	\$671,391.62	0.95%
2021	145,420.14	580,720.57	726,140.71	1.06%
2020	136,935.46	583,790.52	720,725.98	1.08%

PROPERTY ACQUIRED BY TAX LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2022	\$350,300.00
2021	350,300.00
2020	350,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance Current Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2022	\$10,227,975.77	\$2,350,000.00
2021	8,465,252.95	1,100,000.00
2020	6,231,123.72	1,375,000.00
2019	5,448,566.46	1,600,000.00
2018	5,756,576.92	1,600,000.00

<u>Year</u>	<u>Balance Swim Pool Utility Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2022	\$515,386.47	\$125,000.00
2021	517,263.98	100,000.00
2020	112,656.01	50,000.00
2019	217,319.77	160,590.00
2018	144,569.85	60,000.00

ASSESSED VALUATIONS - LAND AND IMPROVEMENTS BY CLASS

<u>YEAR</u>	<u>VACANT LAND</u>	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>APARTMENT</u>	<u>TOTAL</u>
2022	\$ 6,970,700	\$ 869,924,900	\$ 123,638,300	\$ 37,420,900	\$ 60,369,500	\$ 1,098,324,300
2021	6,977,800	862,523,500	124,572,700	37,420,900	60,269,500	1,091,764,400
2020	6,899,800	853,035,600	125,090,800	36,395,900	60,266,000	1,081,688,100
2019	9,294,800	841,230,300	124,694,800	36,370,900	47,269,500	1,058,860,300
2018	9,643,000	836,211,900	117,355,800	36,595,900	34,209,500	1,034,016,100

ASSESSED VALUATIONS - NET VALUATIONS TAXABLE

<u>YEAR</u>	<u>REAL ESTATE LAND AND IMPROVEMENTS</u>	<u>RATIO TO TRUE VALUE</u>	<u>COUNTY EQUALIZED VALUATION</u>
2022	\$ 1,098,324,300	39.97%	\$ 2,747,871,654
2021	1,091,764,400	43.39%	2,527,231,090
2020	1,081,688,100	43.66%	2,492,943,305
2019	1,058,860,300	44.29%	2,425,241,182
2018	1,034,016,100	43.65%	2,334,649,357

TAX REQUIREMENTS - MUNICIPAL AND OVERLAPPING GOVERNMENTS

<u>YEAR</u>	<u>TOTAL TAX REQUIREMENTS</u>	<u>LOCAL PURPOSES</u>	<u>SCHOOLS</u>	<u>COUNTY</u>
2022	\$ 70,218,442	\$ 17,179,329	\$ 42,414,110	\$ 10,625,003
2021	68,462,524	16,817,695	41,628,062	10,016,766
2020	66,964,893	16,144,279	41,069,544	9,751,070
2019	63,906,508	15,539,547	39,006,378	9,360,583
2018	62,509,953	14,941,560	37,983,560	9,584,832

FINANCIAL INFORMATION

DEBT STATEMENTS

The Borough must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey ("the Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year, the Borough must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Borough as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

**DEBT INCURRING CAPACITY
AS OF DECEMBER 31, 2022**

Municipal Borrowing Capacity:	
1. Equalized Valuations (last three years average)	\$2,739,037,388
2. Borrowing Margin-3 1/2% of Average Equalized Valuation Basis	95,866,309
3. Statutory Net Debt	21,224,400
4. Excess School Borrowing	-0-
5. Total Charges to Borrowing Margin	21,224,400
6. Remaining Municipal Borrowing Capacity (line 2 minus line 5)	74,641,909

BOROUGH OF METUCHEN

STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2022

Gross Debt:		
Local School District Debt:		
Issued & Outstanding:		
Serial Bonds	\$ 7,810,000	
Authorized But Not Issued	<u>82,230,000</u>	
		\$ 90,040,000
Swim Pool Utility Debt:		
Issued & Outstanding:		
Serial Bonds		190,000
Municipal Debt:		
Issued and Outstanding:		
Serial Bonds and Loans	10,300,000	
Bond Anticipation Notes	2,324,400	
Authorized But Not Issued	<u>8,600,000</u>	
		<u>21,224,400</u>
	<u>Total Gross Debt</u>	<u>\$ 111,454,400</u>
Less:		
Statutory Deductions:		
Municipal Debt	\$ -0-	
Utility Debt	190,000	
School Debt	<u>90,040,000</u>	
		<u>\$ 90,230,000</u>
Statutory Net Debt		<u>\$ 21,224,400</u>
Average Equalized Valuation of Real Property (Years 2020, 2021, 2022)		<u>\$ 2,739,037,388</u>
Statutory Net Debt Percentage		<u>0.775%</u>

**STATISTICS ON DEBT
AS OF DECEMBER 31, 2022**

Gross Debt (Municipal and School)	\$111,454,400.00
Overlapping Debt	10,120,629.93
Total Gross Debt (Including Overlapping)	\$121,575,029.93
 Statutory Net Debt	 21,224,400.00
 Net Debt and Overlapping Debt	 31,345,029.93
 Average Equalized Valuations	 \$2,739,037,388.00

**OVERLAPPING DEBT
AS OF DECEMBER 31, 2022**

The Overlapping Debt of the Borough was as follows:

	<u>GROSS</u>	<u>PERCENTAGE</u>	<u>OVERLAPPING</u>
County of Middlesex	\$610,710,958.00	1.6572%	\$10,120,629.93

**GROSS AND STATUTORY NET DEBT
AS OF DECEMBER 31, 2022
(EXCLUDING OVERLAPPING DEBT)**

<u>YEAR</u>	<u>GROSS DEBT</u>		<u>STATUTORY NET DEBT</u>	
	<u>AMOUNT</u>	<u>PERCENTAGE*</u>	<u>AMOUNT</u>	<u>PERCENTAGE*</u>
2022	\$111,454,400.00	4.069%	\$21,224,400.00	0.775%
2021	26,936,474.00	0.983%	16,771,424.00	0.612%
2020	26,736,949.00	0.976%	14,731,949.00	0.538%
2019	26,207,354.00	0.957%	11,959,604.00	0.437%
2018	31,356,420.00	1.145%	15,174,820.00	0.554%

* Of Average Equalizations

BOROUGH OF METUCHEN

2023 MUNICIPAL BUDGET

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 2,350,000.00
Miscellaneous Revenues:	
State and Federal Aid	965,385.43
Other	3,074,248.13
Receipts From Delinquent Taxes	500,000.00
Amount to be Raised by Taxation for:	
Library	997,568.76
Municipal Purposes	<u>16,826,378.31</u>
<u>Total Anticipated Revenues</u>	<u>\$ 24,713,580.63</u>
Appropriations:	
Within "CAPS":	
Operations	\$ 14,803,391.00
Deferred Charges and Statutory Expenditures	2,184,574.00
Excluded From "CAPS":	
Operations	3,778,650.97
Capital Improvements	970,000.00
Municipal Debt Service	1,506,400.00
Reserve for Uncollected Taxes	<u>1,470,564.66</u>
<u>Total Appropriations</u>	<u>\$ 24,713,580.63</u>

SUMMARY OF THE 2023 CAPITAL BUDGET

2023 Capital Program
Total Estimated Project Costs \$ 24,667,710.00

Planned Funding:
Capital Improvement Fund \$ 970,000.00
Grants 3,233,615.00
Debt Authorized 20,464,095.00
\$ 24,667,710.00

Six Year Capital Program
Total Estimated Project Costs:

2023	\$ 24,667,710.00	
2024	2,000,000.00	
2025	6,760,000.00	
2026	2,265,000.00	
2027	2,725,000.00	
2028	<u>1,550,000.00</u>	
Total		\$ <u>39,967,710.00</u>

Planned Funding:
Capital Improvement Fund \$ 1,836,704.75
Grants 3,233,615.00
Debt Authorized 34,897,390.25
\$ 39,967,710.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Jonathan Busch	Mayor	*
Jason Delia	Council President	*
Linda Koskoski	Council Member	*
Daniel Hirsch	Council Member	*
Tyler Kandel	Council Member	*
Dorothy Rasmussen	Council Member	*
Joel Branch	Council Member	*
Melissa Perilstein	Administrator	*
Jay Muldoon	Director of Special Projects	*
Deborah Zupan	Borough Clerk	*
Rebecca Cuthbert	Chief Financial Officer / Tax Collector	*
James Hoebich	Magistrate	*
Wahjira Williams-Fisher	Court Administrator	*
John Kawczynski	Prosecutor	*
Denis G. Murphy	Borough Attorney	*
John Soltesz	Construction Code Official	*
Richard Duda	Tax Assessor	*
Arthur Flaherty	Police Chief	*
Rob Donnan	Fire Chief	*

Officials and employees handling and collecting funds are covered by the Central Jersey JIF blanket coverage up to \$1,000,000.00.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective August 23, 2021, the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$44,000.00 by resolution of the governing body. The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following item(s) in 2022:

Jersey Avenue Pump Station Replacement
Road Maintenance
Replacement of Kahn's Crossing Pedestrian Bridge

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

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

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

Borough Attorney	Bond Counsel
Borough Engineer	Labor Counsel
Borough Prosecutor	Borough Planner
Borough Auditor	Other Consulting Services
Tax Appeal Attorney	Labor Relations Attorney

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body, on January 1, 2022, adopted the following resolutions authorizing interest to be charged on delinquent taxes:

“WHEREAS, under N.J.S.A. 54:4-67 the Governing Body may fix the rate of interest to be charged for the nonpayment of taxes or assessments;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Metuchen that the interest rate to be charged by the Borough of Metuchen on delinquent taxes, assessment and other municipal liens, is hereby fixed at 8% per annum on the first \$1,500 on the delinquency and 18% on any amount in excess of \$1,500, to be calculated from the date the tax was payable until the date of actual payment, effective immediately”

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 8, 2022 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2022	3
2021	3
2020	3

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>Type</u>	
Information Tax Positive Confirmation	50
Delinquent Tax Positive Confirmation	25

OTHER COMMENTS

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule, all interfund balances should be closed out as of the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis. However, we noted numerous instances where instead of these items being recorded as interfunds on the balance sheets, they are instead recorded as reconciling items on the bank reconciliations, which are not cleared in a timely manner.

Our examination of records and conversations with finance staff revealed that the general ledger is not maintained and bank reconciliations are not performed in a timely fashion subsequent to the end of each month, but that accounts are reconciled several months later, which limits the procedure's effectiveness as an internal control.

RECOMMENDATIONS

*That interfunds be recorded on the general ledger and that all reconciling items be cleared in a timely manner.

*That all general ledgers be maintained and bank reconciliations prepared in a timely fashion to preserve the effectiveness of internal controls.

*Unresolved Prior Year Recommendation



