

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Tinton Falls*

*in the*

*County of Monmouth*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2022*



## BOROUGH OF TINTON FALLS

### I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-4
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	5-6
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance-Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2022	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2022	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	"C-1"
<u>Sewer Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"D-1"
Statements of Change in Capital Fund Balance - Regulatory Basis	"D-2"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2022	"D-3"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2022	"D-4"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"E"
	<u>PAGES</u>
Notes to Financial Statements	7-48

BOROUGH OF TINTON FALLS

I N D E X (CONTINUED)

Supplementary Schedules - All Funds

EXHIBITS

Current Fund:

Schedule of Cash - Treasurer	"A-4"
Schedule of Cash - Collector	"A-5"
Schedule of Change Funds	"A-6"
Schedule of Petty Cash Fund	"A-7"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions per Chapter 20, P.L.1971	"A-8"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-9"
Schedule of Tax Title Liens	"A-10"
Schedule of Debris Lien Receivable	"A-11"
Schedule of Revenue Accounts Receivable	"A-12"
Schedule of 2021 Appropriation Reserves	"A-13"
Schedule of Reserve for Miscellaneous Deposits	"A-14"
Schedule of Tax Overpayments	"A-15"
Schedule of Reserve for Encumbrances	"A-16"
Schedule of Accounts Payable	"A-17"
Schedule of Prepaid Taxes	"A-18"
Schedule of County Taxes Payable	"A-19"
Schedule of Regional School District Tax	"A-20"
Schedule of Regional High School District Tax	"A-21"
Schedule of Municipal Open Space Tax	"A-22"
Schedule of Fire District Tax	"A-23"
Schedule of Grants Receivable	"A-24"
Schedule of Reserve for Grants-Appropriated	"A-25"
Schedule of Reserve for Grants-Unappropriated	"A-26"
Schedule of Interfunds – Grant Fund	"A-27"
Schedule of Interfunds	"A-28"

Trust Fund:

Schedule of Cash	"B-1"
Schedule of Reserve for Animal Control Fund Expenditures	"B-2"
Schedule of State Registration Fees-Animal Control Fund	"B-3"
Schedule of Reserve for Open Space Trust	"B-4"
Schedule of Various Reserves	"B-5"
Schedule of Encumbrances Payable	"B-6"
Schedule of Open Space Grant Receivable (County)	"B-7"

BOROUGH OF TINTON FALLS

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund:

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

Sewer Utility Fund:

Schedule of Cash - Treasurer	"D-5"
Analysis of Cash	"D-6"
Schedule of Consumer Accounts Receivable	"D-7"
Schedule of Prepaid Sewer Rents	"D-8"
Schedule of 2021 Appropriation Reserves	"D-9"
Schedule of Encumbrances Payable	"D-10"
Schedule of Accounts Payable	"D-11"
Schedule of Sewer Rent Overpayments	"D-12"
Schedule of Fixed Capital	"D-13"
Schedule of Reserve for Amortization	"D-14"

PART II

Statistical Data	49-52
Officials in Office and Surety Bonds	53
Comments and Recommendations	54-57



BOROUGH OF TINTON FALLS

PART I

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

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2022 AND 2021



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Tinton Falls  
County of Monmouth  
Tinton Falls, New Jersey 07724

### ***Report on 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 Tinton Falls (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 of the revenues or expenditures for the year ended December 31, 2022.

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

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



# **SUPLEE, CLOONEY & COMPANY**

## ***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

## ***Matter Giving Rise to Adverse Opinion***

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

## ***Responsibilities of Management for the Financial Statements***

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

## SUPLEE, CLOONEY & COMPANY

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

## SUPLEE, CLOONEY & COMPANY


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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 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.



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CERTIFIED PUBLIC ACCOUNTANTS



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REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 2, 2023



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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 Tinton Falls  
County of Monmouth  
Tinton Falls, New Jersey 07724

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 Tinton Falls, 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 August 2, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Tinton Falls 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough's internal control.

## SUPLEE, CLOONEY & COMPANY

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

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

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

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

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

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

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
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REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 2, 2023

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CURRENT FUND

BOROUGH OF TINTON FALLS

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
Current Fund:			
Cash	A-4	\$ 12,936,743.22	\$ 22,145,905.84
Investments	B-4	8,374,170.95	
Change Funds	A-6	625.00	625.00
Petty Cash	A-7	-	
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8	817.91	5,817.91
		<u>\$ 21,312,357.08</u>	<u>\$ 22,152,348.75</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 640,412.35	\$ 519,816.06
Tax Title Liens Receivable	A-10	123,142.64	111,778.71
Debris Lien	A-11	-	420.88
Property Acquired for Taxes - Assessed Valuation			
Revenue Accounts Receivable	A-12	13,733.15	12,655.45
Interfunds Receivable	A-13	-	
Prepaid Regional School Taxes	A-22		
	A	<u>\$ 777,288.14</u>	<u>\$ 644,671.10</u>
Deferred Charges:			
Special Emergency (40A:4-46)	A-23	\$ -	\$ -
Overexpenditure of Appropriation	A-7		
		<u>\$ -</u>	<u>\$ -</u>
		<u>\$ 22,089,645.22</u>	<u>\$ 22,797,019.85</u>
Grant Fund:			
Cash	A-4	\$ 1,573,494.95	\$ 1,266,313.46
Grants Receivable	A-24	8,854.35	89,672.00
Interfunds Receivable	A-29	-	-
		<u>\$ 1,582,349.30</u>	<u>\$ 1,355,985.46</u>
		<u>\$ 23,671,994.52</u>	<u>\$ 24,153,005.31</u>

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



BOROUGH OF TINTON FALLS

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 1,369,988.16	\$ 1,565,452.25
Reserve for Miscellaneous Deposits	A-14	14,619.00	18,948.00
Reserve for Municipal Relief Fund - State Aid	A-4	77,748.14	
Tax Overpayments	A-15	16,927.65	11,106.10
Encumbrances Payable	A-16	1,266,860.29	1,287,496.32
Accounts Payable	A-17	10,565.57	116,775.24
Prepaid Taxes	A-18	450,060.86	558,808.64
County Taxes Payable	A-19	78,878.35	166,831.79
Regional School Taxes Payable	A-20	3,823,592.27	3,878,832.29
Regional High School Taxes Payable	A-21	4,907,621.45	5,107,000.97
Fire District Tax Payable	A-23		750.00
		<u>\$ 12,016,861.74</u>	<u>\$ 12,712,001.60</u>
Reserve for Receivables	A	777,288.14	644,671.10
Fund Balance	A-1	<u>9,295,495.34</u>	<u>9,440,347.15</u>
		<u>\$ 22,089,645.22</u>	<u>\$ 22,797,019.85</u>
Grant Fund:			
Encumbrances Payable	A-16	\$ 9,027.39	\$ 123,354.02
Reserve for Grants-Appropriated	A-25	334,681.11	319,345.97
Reserve for Grants-Unappropriated	A-26	<u>1,238,640.80</u>	<u>913,285.47</u>
		<u>\$ 1,582,349.30</u>	<u>\$ 1,355,985.46</u>
		<u>\$ 23,671,994.52</u>	<u>\$ 24,153,005.31</u>

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

"A-1"

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2022</u>	<u>YEAR ENDED DECEMBER 31, 2021</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1:A-2	\$ 4,460,000.00	\$ 3,950,000.00
Miscellaneous Revenues Anticipated	A-2	8,098,087.39	7,598,521.54
Receipts from Delinquent Taxes	A-2	522,112.43	736,211.45
Receipts from Current Taxes	A-2	70,724,369.02	71,399,520.79
Non-Budget Revenues	A-2	929,515.67	1,073,525.54
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	A-13	1,551,978.34	1,874,914.32
Tax Overpayments Cancelled			1,537.48
Accounts Payable Cancelled	A-17	2,898.00	829.00
<u>Total Income</u>		<u>\$ 86,288,960.85</u>	<u>\$ 86,635,060.12</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations	A-3	\$ 19,797,972.00	\$ 18,794,127.00
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	3,327,914.00	3,208,873.00
Excluded from "CAPS"			
Operations	A-3	833,491.09	913,389.62
Capital Improvement	A-3	975,500.00	984,000.00
Municipal Debt Service	A-3	2,506,857.63	2,504,593.10
County Tax	A-19	10,298,908.28	10,542,483.90
County Tax for Added and Omitted Taxes	A-19	78,878.35	166,831.79
Regional District School Tax	A-20	26,489,661.00	26,355,873.00
Regional District High School Tax	A-21	14,355,706.00	14,754,465.00
Municipal Open Space Tax	A-22	970,395.23	839,316.27
Special District Taxes	A-23	2,259,452.00	2,185,150.00
Prior Year Senior Citizens Deductions, net	A-8	1,458.91	2,755.47
Refund of Prior Year Revenue	A-4	77,618.17	85,262.20
<u>Total Expenditures</u>		<u>\$ 81,973,812.66</u>	<u>\$ 81,337,120.35</u>
Excess in Revenue		\$ 4,315,148.19	\$ 5,297,939.77
<u>Fund Balance</u>			
Balance, January 1	A	9,440,347.15	8,092,407.38
		<u>\$ 13,755,495.34</u>	<u>\$ 13,390,347.15</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	4,460,000.00	3,950,000.00
Balance, December 31	A	<u>\$ 9,295,495.34</u>	<u>\$ 9,440,347.15</u>

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

		ANTICIPATED			
	REF.	BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 4,460,000.00	\$	\$ 4,460,000.00	\$
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-12	35,000.00		37,930.00	2,930.00
Other Licenses	A-12	20,000.00		38,123.00	18,123.00
Fees and Permits:					
Construction Code Official	A-12	400,000.00		707,431.00	307,431.00
Other	A-2	240,000.00		404,846.67	164,846.67
Fines and Costs - Municipal Court	A-12	124,000.00		155,911.97	31,911.97
Interest and Costs on Taxes	A-12	122,000.00		110,806.20	(11,193.80)
Interest on Investments and Deposits	A-12	150,000.00		280,077.01	130,077.01
Commercial Garbage Fees	A-12	71,000.00		87,346.43	16,346.43
Energy Receipts Tax	A-12	1,490,459.00		1,490,459.00	
Shared Services:					
Municipal Court (Eatontown and Monmouth Beach)	A-12	350,000.00		362,010.00	12,010.00
Finance (Keyport)	A-12	63,672.00		63,672.00	
Drunk Driving Enforcement Fund	A-24		8,354.35	8,354.35	
Clean Communities Grant	A-24		44,996.48	44,996.48	
State Body Armor Replacement Fund	A-24	1,916.21		1,916.21	
Recycling Tonnage Grant	A-24	56,663.05		56,663.05	
Monmouth County Historical Grant	A-24	10,000.00		10,000.00	
Monmouth County Historical Re-Grant	A-24	2,000.00		2,000.00	
ANJEC 2022 Open Space Stewardship Grant	A-24		1,500.00	1,500.00	
Hotel Occupancy Tax	A-12	269,548.00		455,075.22	185,527.22
Franchise Fees	A-12	287,500.00		287,570.87	70.87
Payment in Lieu of Taxes - CommVault	A-12	308,937.00		308,937.15	0.15
Host Benefit Fees	A-12	2,000,000.00		2,422,517.78	422,517.78
Open Space Trust - Principal on Bonds	A-12	85,000.00		85,000.00	
Open Space Trust - Interest on Bonds	A-12	32,155.00		32,155.00	
Open Space Trust - Interest on Notes	A-12	33,931.00		33,931.00	
CoronaVirus SLFRF Revenue Loss	A-12	608,857.00		608,857.00	
	A-1	\$ 6,762,638.26	\$ 54,850.83	\$ 8,098,087.39	\$ 1,280,598.30
Receipts From Delinquent Taxes	A-2	\$ 500,000.00	\$	\$ 522,112.43	\$ 22,112.43
Amount to be Raised by Taxes for Support of: Local Tax for Municipal Purposes	A-2	\$ 16,460,918.62		\$ 17,068,040.78	607,122.16
<b>Budget Totals</b>		\$ 28,183,556.88	\$ 54,850.83	\$ 30,148,240.60	\$ 1,909,832.89
Non-Budget Revenues	A-2			929,515.67	929,515.67
		\$ 28,183,556.88	\$ 54,850.83	\$ 31,077,756.27	\$ 2,839,348.56
	REF.	A-3	A-3		

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

	<u>REF.</u>	
Allocations of Current Tax Collections:		
Revenues from Collections	A-1:A-9	\$ 70,724,369.02
Allocated to:		
School Taxes		\$ 40,845,367.00
County Taxes		10,377,786.63
Special District Tax		2,259,452.00
Municipal Open Space Tax		<u>970,395.23</u>
		<u>54,453,000.86</u>
Balance for Support of Municipal Appropriations		\$ 16,271,368.16
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>796,672.62</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 17,068,040.78</u>

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-9	\$ 521,274.06
Tax Title Lien Collections	A-10	<u>838.37</u>
	A-1:A-2	<u>\$ 522,112.43</u>
Other Fees and Permits:		
Building Department	A-12	\$ 115,675.00
Police	A-12	30,026.70
Zoning	A-12	23,527.96
Planning	A-12	59,375.00
Recreation	A-12	172,793.01
Street Openings	A-12	2,759.00
Tax Assessor	A-12	<u>690.00</u>
	A-2	<u>\$ 404,846.67</u>

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

REF.

Miscellaneous Revenue Not Anticipated:

Tinton Falls Senior Living	\$	38,325.00
Pines II Meadowbrook Apartments		61,807.00
Meadowbrook II		32,862.00
Pines I at Tinton Falls		55,116.00
Radar Properties Urban Renewal		36,740.21
Charles Wood Property Urban Renewal		57,286.31
Tinton Falls Veterans Housing		15,049.64
Trinity Hall - Municipal Services Agreement		8,000.00
Ranney School - Municipal Services Agreement		37,699.78
Fire Safety - LEA		46,202.47
Fire Prevention Fees		103,669.00
NJ Inspection Fines		502.75
6% Tax Penalties		5,954.71
Garbage Can Fees		1,870.00
Street Opening Fees		5,400.00
Prior Year Reimbursements		899.79
Auction of Municipal Properties		31,287.45
NSF Fees		160.00
Miscellaneous		832.87
Senior Citizens & Veterans State Administrative Fees (2%)		2,880.82
AT&T Cell Site Lease		60,966.59
T-Mobile Cell Site Lease		44,472.93
Vending Commission		123.00
ATM Commission		17.25
JIF Dividend		33,731.00
Debris Lien		673.24
Checks Voided		559.00
Monmouth Regional - Resource Officer		48,000.00
Tax Sale Premiums Lapsed		1,300.00
FEMA Reimbursements		197,126.86

A-1:A-2:A-4

\$ 929,515.67

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 471,000.00	\$ 471,000.00	\$ 469,296.49	\$ 1,703.51	
Other Expenses - Miscellaneous	16,000.00	16,000.00	12,980.35	3,019.65	
Other Expenses - Information Technology	203,500.00	203,500.00	202,546.35	953.65	
Human Resources:					
Salaries and Wages	98,000.00	98,000.00	93,322.49	4,677.51	
Other Expenses	30,250.00	30,250.00	27,069.63	3,180.37	
Office of the Mayor:					
Salaries and Wages	6,001.00	6,001.00	6,000.02	0.98	
Other Expenses	1,500.00	1,500.00	85.00	1,415.00	
Borough Council:					
Salaries and Wages	23,001.00	23,001.00	23,000.38	0.62	
Other Expenses	5,900.00	5,900.00	1,080.43	4,819.57	
Municipal Clerk:					
Salaries and Wages	209,000.00	209,000.00	196,048.21	12,951.79	
Other Expenses - Miscellaneous	47,700.00	47,700.00	40,957.72	6,742.28	
Other Expenses - Rev. and Codification of Ordinances	35,000.00	35,000.00		35,000.00	
Finance:					
Salaries and Wages	233,000.00	233,000.00	228,273.84	4,726.16	
Other Expenses	11,200.00	11,200.00	9,763.12	1,436.88	
Annual Audit:					
Other Expenses	29,500.00	29,500.00	29,500.00		
Division of Revenue:					
Salaries and Wages	219,000.00	219,000.00	213,230.18	5,769.82	
Other Expenses	19,900.00	19,900.00	13,248.95	6,651.05	
Assessment of Taxes:					
Salaries and Wages	119,000.00	119,000.00	118,643.16	356.84	
Other Expenses	78,045.00	78,045.00	77,692.63	352.37	
Division of Central Services:					
Salaries and Wages	77,000.00	77,000.00	71,530.16	5,469.84	
Other Expenses	39,200.00	39,200.00	33,569.83	5,630.17	
Legal Services and Costs:					
Other Expenses	310,000.00	310,000.00	292,333.37	17,666.63	

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<b>\$</b>	<b>110,000.00</b>	<b>\$ 110,000.00</b>	<b>102,500.00</b>	<b>\$ 7,500.00</b>	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
<u>GENERAL GOVERNMENT</u>					
Engineering Services:					
Other Expenses					
Historic Sites Office:					
Other Expenses	5,000.00	5,000.00	4,695.08	304.92	
Planning Board:					
Salaries and Wages	30,000.00	30,000.00	25,875.29	4,124.71	
Other Expenses	50,570.00	50,570.00	41,169.64	9,400.36	
Zoning Board:					
Salaries and Wages	30,000.00	30,000.00	28,810.66	1,189.34	
Other Expenses	34,400.00	34,400.00	32,353.81	2,046.19	
Division of Housing					
Other Expenses	26,000.00	26,000.00	25,000.00	1,000.00	
Insurance:					
General Liability Insurance	414,000.00	414,000.00	414,000.00		
Worker's Compensation Insurance	238,000.00	238,000.00	238,000.00		
Group Health Insurance	3,050,000.00	2,900,000.00	2,881,322.57	18,677.43	
Unemployment Insurance	25,000.00	25,000.00	25,000.00		
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	5,500,000.00	5,500,000.00	5,146,060.31	353,939.69	
Other Expenses	301,440.00	301,440.00	296,623.87	4,816.13	
Emergency Management Services:					
Salaries and Wages	68,000.00	68,000.00	67,068.56	931.44	
Other Expenses	40,000.00	40,000.00	24,355.41	15,644.59	
Aid to Volunteer Emergency Medical Services:					
Other Expenses	140,000.00	140,000.00	140,000.00		
Emergency Medical Services:					
Other Expenses	50,000.00	50,000.00		50,000.00	
Fire Prevention:					
Salaries and Wages	161,100.00	161,100.00	137,125.04	23,974.96	
Other Expenses	7,230.00	7,230.00	2,842.22	4,387.78	
Municipal Prosecutor:					
Salaries and Wages	38,005.00	38,005.00	38,000.04	4.96	
Other Expenses	4,000.00	4,000.00		4,000.00	

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<b>OPERATIONS WITHIN "CAPS" (CONTINUED)</b>					
<b>PUBLIC WORKS</b>					
Division of Streets:					
Salaries and Wages	\$ 587,000.00	\$ 637,000.00	\$ 618,256.64	\$ 18,743.36	\$
Other Expenses	218,000.00	218,000.00	151,129.49	66,870.51	
Division of Sanitation:					
Salaries and Wages	671,143.00	601,143.00	411,981.66	189,161.34	
Salaries and Wages - ARP SLFR Funds	608,857.00	608,857.00	608,857.00		
Other Expenses	24,200.00	29,200.00	23,009.05	6,190.95	
Division of Buildings and Grounds:					
Salaries and Wages	335,000.00	335,000.00	316,534.63	18,465.37	
Other Expenses	142,700.00	282,700.00	278,782.39	3,917.61	
Division of Central Maintenance:					
Salaries and Wages	516,000.00	466,000.00	429,007.77	36,992.23	
Other Expenses	550,000.00	525,000.00	507,906.74	17,093.26	
Community Services Act:					
Other Expenses	160,000.00	160,000.00	118,113.00	41,887.00	
Shade Tree Commission:					
Other Expenses	1,400.00	1,400.00	999.87	400.13	
<b>HEALTH AND WELFARE</b>					
Division of Health:					
Other Expenses	186,000.00	186,000.00	185,318.08	681.92	
NJ Public Employees Occupational Safety and Health:					
Other Expenses	3,500.00	3,500.00		3,500.00	
Environmental Health Services:					
Other Expenses	28,400.00	28,400.00	24,950.00	3,450.00	
Animal Control Services:					
Other Expenses	27,000.00	27,000.00	27,000.00		
Contributions to Social Service Agencies					
Other Expenses	21,500.00	21,500.00	17,970.00	3,530.00	
<b>PARKS AND RECREATION:</b>					
Division of Recreation:					
Salaries and Wages	294,000.00	294,000.00	293,990.26	9.74	
Other Expenses	154,300.00	154,300.00	137,233.61	17,066.39	
Maintenance of Parks:					
Salaries and Wages	424,000.00	424,000.00	422,868.91	1,131.09	
Other Expenses	52,300.00	57,300.00	54,022.10	3,277.90	

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



BOROUGH OF TINTON FALLS

CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<b>OPERATIONS WITHIN "CAPS" (CONTINUED)</b>					
Municipal Court:					
Salaries and Wages	\$ 246,000.00	\$ 246,000.00	\$ 201,853.52	\$ 44,146.48	\$
Other Expenses	34,955.00	34,955.00	23,886.77	11,068.23	
Public Defender:					
Salaries and Wages	21,505.00	21,505.00	21,500.18	4.82	
Other Expenses	800.00	800.00		800.00	
Construction Code Official:					
Salaries and Wages	378,000.00	378,000.00	352,187.98	25,812.02	
Other Expenses	9,970.00	9,970.00	6,235.59	3,734.41	
Division of Code Enforcement:					
Salaries and Wages	84,000.00	84,000.00	81,337.36	2,662.64	
Other Expenses	54,000.00	54,000.00	53,742.04	257.96	
<b>UNCLASSIFIED</b>					
Utilities:					
Telephone	64,000.00	64,000.00	54,967.95	9,032.05	
Electricity	169,000.00	169,000.00	143,961.90	25,038.10	
Gasoline and Diesel Fuel	310,000.00	400,000.00	381,270.91	18,729.09	
Water	22,000.00	22,000.00	19,900.29	2,099.71	
Street Lighting	103,000.00	103,000.00	98,738.10	4,261.90	
Natural Gas	61,000.00	66,000.00	65,573.25	426.75	
Telecommunications	89,000.00	89,000.00	74,506.24	14,493.76	
Landfill/Solid Waste Disposal Costs	250,000.00	250,000.00	240,641.47	9,358.53	
Accumulated Absences Compensation	290,000.00	290,000.00	290,000.00		
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>\$ 19,797,972.00</b>	<b>\$ 19,797,972.00</b>	<b>\$ 18,569,209.56</b>	<b>\$ 1,228,762.44</b>	<b>\$</b>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 817,566.00	\$ 817,566.00	\$ 817,566.00	\$	\$
Social Security System (OAS)	800,000.00	800,000.00	779,007.75	20,992.25	
Police and Firemen's Retirement System of NJ	1,701,348.00	1,701,348.00	1,701,348.00		
Defined Contribution Retirement Program	9,000.00	9,000.00	3,668.67	5,331.33	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>	<b>\$ 3,327,914.00</b>	<b>\$ 3,327,914.00</b>	<b>\$ 3,301,590.42</b>	<b>\$ 26,323.58</b>	<b>\$</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>\$ 23,125,886.00</b>	<b>\$ 23,125,886.00</b>	<b>\$ 21,870,799.98</b>	<b>\$ 1,255,086.02</b>	<b>\$</b>

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Length of Service Award Program	\$ 45,000.00	\$ 45,000.00		\$ 45,000.00	\$
NJPDES Stormwater Permit (NJSA 40A:4-45.39(cc))	14,075.00	14,075.00	12,542.37	1,532.63	
Recycling Tax (NJSA 13:1E-96.5)	3,500.00	3,500.00	2,864.83	635.17	
Shared Services:					
Dispatch/911 - County of Monmouth	292,454.00	292,454.00	292,453.00	1.00	
Municipal Court - Monmouth Beach and Eatontown:					
Salaries & Wages	211,000.00	211,000.00	200,044.70	10,955.30	
Other Expenses	58,000.00	58,000.00	33,127.03	24,872.97	
Tax Collector - Borough of Keyport:					
Salaries & Wages	63,672.00	63,672.00	63,672.00		
<b>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>\$ 687,701.00</b>	<b>\$ 687,701.00</b>	<b>\$ 604,703.93</b>	<b>\$ 82,997.07</b>	<b>\$</b>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY</b>					
<b>REVENUE</b>					
Clean Communities (40A:4-87 +44,996.48)	\$	\$ 44,996.48	\$ 44,996.48	\$	\$
Body Armor Replacement Fund	1,916.21	1,916.21	1,916.21		
Recycling Tonnage Grant	56,663.05	56,663.05	56,663.05		
Drunk Driving Enforcement Fund (40A:4-87 +8,354.35)		8,354.35	8,354.35		
ANJEC 2022 Open Space Stewardship Grant (40A:4-87 +1,500)		1,500.00	1,500.00		
Monmouth County Historical Grant:					
Grant	10,000.00	10,000.00	10,000.00		
Match	13,500.00	13,500.00	13,500.00		
Monmouth County Historical Re-Grant:					
Grant	2,000.00	2,000.00	2,000.00		
Match	2,000.00	2,000.00	2,000.00		
Supplemental Fire Services - Fire District Payment	4,860.00	4,860.00	4,860.00		
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY</b>	<b>\$ 90,939.26</b>	<b>\$ 145,790.09</b>	<b>\$ 145,790.09</b>	<b>\$</b>	<b>\$</b>
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$	\$
Acquisition of Automation Refuse Containers	40,000.00	40,000.00	35,309.60	4,690.40	
Acquisition of Multi-Purpose Hook Lift Truck	350,500.00	350,500.00	345,841.33	4,658.67	
Acquisition of Wheel Loader with Bucket	245,000.00	245,000.00	237,226.00	7,774.00	
Various Improvements to DPW Equipment	61,000.00	61,000.00	50,945.00	10,055.00	
Acquisition of Asphalt Hot Patcher	119,000.00	119,000.00	114,273.00	4,727.00	
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>\$ 975,500.00</b>	<b>\$ 975,500.00</b>	<b>\$ 943,594.93</b>	<b>\$ 31,905.07</b>	<b>\$</b>

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

BOROUGH OF TINTON FALLS

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>UNEXPENDED</u>
	<u>BUDGET</u>		<u>MODIFICATION</u>	<u>CHARGED</u>		<u>BALANCE</u> <u>CANCELLED</u>
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 1,245,000.00	\$	1,245,000.00	\$ 1,245,000.00	\$	\$
Payment of Bond Anticipation Note	825,000.00		825,000.00	825,000.00		
Interest on Bonds	327,450.00		327,450.00	327,449.90		0.10
Interest on Notes	109,408.00		109,408.00	109,407.73		0.27
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>\$ 2,506,858.00</u>	<u>\$</u>	<u>2,506,858.00</u>	<u>2,506,857.63</u>	<u>\$</u>	<u>0.37</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL</u>						
<u>PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 4,260,998.26</u>	<u>\$</u>	<u>4,315,849.09</u>	<u>4,200,946.58</u>	<u>\$ 114,902.14</u>	<u>\$ 0.37</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 27,386,884.26</u>	<u>\$</u>	<u>27,441,735.09</u>	<u>26,071,746.56</u>	<u>\$ 1,369,988.16</u>	<u>\$ 0.37</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>796,672.62</u>		<u>796,672.62</u>	<u>796,672.62</u>		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 28,183,556.88</u>	<u>\$</u>	<u>28,238,407.71</u>	<u>26,868,419.18</u>	<u>\$ 1,369,988.16</u>	<u>\$ 0.37</u>
<u>REF.</u>	<u>A-2</u>			<u>A-1</u>	<u>A-A-1</u>	
Budget		\$	28,183,556.88			
Budget Amendments		\$	54,850.83			
			<u>28,238,407.71</u>			
Cash Disbursements - Net	A-4	\$		24,663,956.18		
Reserve for Encumbrances	A-16			1,266,860.29		
Reserve for Grants Appropriated	A-25			140,930.09		
Reserve for Uncollected Taxes	A-2			796,672.62		
		\$		<u>26,868,419.18</u>		

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

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TRUST FUND

"B"

BOROUGH OF TINTON FALLS

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 and Cash Equivalents	B-1	\$ 9,823.84	\$ 9,076.94
		<u>\$ 9,823.84</u>	<u>\$ 9,076.94</u>
Open Space Trust Fund:			
Cash and Cash Equivalents	B-1	286,310.76	433,776.04
Open Space Grant Receivable (County)	B-7	127,000.00	127,000.00
		<u>413,310.76</u>	<u>560,776.04</u>
Other Funds:			
Cash and Cash Equivalents	B-1	\$ 5,430,462.47	\$ 4,442,415.41
Mortgage Receivable		300,000.00	300,000.00
		<u>\$ 5,730,462.47</u>	<u>\$ 4,742,415.41</u>
		<u>\$ 6,153,597.07</u>	<u>\$ 5,312,268.39</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-2	\$ 3,848.84	\$ 3,825.09
Encumbrances Payable	B-6	5,975.00	5,231.85
Prepaid Licenses	B-1		20.00
		<u>\$ 9,823.84</u>	<u>\$ 9,076.94</u>
Open Space Trust Fund:			
Reserve for Open Space Trust	B-4	205,719.89	111,171.14
Encumbrances Payable	B-6	207,590.87	449,604.90
		<u>413,310.76</u>	<u>560,776.04</u>
Other Funds:			
Various Trust Reserves	B-5	\$ 5,243,260.58	\$ 4,244,606.89
Encumbrances Payable	B-6	187,201.89	197,808.52
Reserve for Mortgage Receivable		300,000.00	300,000.00
		<u>\$ 5,730,462.47</u>	<u>\$ 4,742,415.41</u>
		<u>\$ 6,153,597.07</u>	<u>\$ 5,312,268.39</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>		<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>ASSETS</u>				
Cash	C-2:C-3	\$	1,201,029.94	\$ 2,908,342.33
Grants Receivable	C-6		361,700.00	366,570.43
Deferred Charges to Future Taxation:				
Funded	C-4		7,195,000.00	8,440,000.00
Unfunded	C-5		<u>10,152,000.00</u>	<u>10,977,000.00</u>
		\$	<u>18,909,729.94</u>	<u>\$ 22,691,912.76</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
General Serial Bonds	C-7	\$	7,195,000.00	\$ 8,440,000.00
Bond Anticipation Notes	C-8		9,952,000.00	8,777,000.00
Improvement Authorizations:				
Funded	C-9		450,000.00	8,860.38
Unfunded	C-9		243,639.11	2,172,265.29
Capital Improvement Fund	C-10		169,163.00	9,163.00
Contracts Payable	C-11		405,757.09	2,812,666.38
Various Reserves	C-12		470,265.99	388,052.96
Fund Balance	C-1		<u>23,904.75</u>	<u>83,904.75</u>
		\$	<u>18,909,729.94</u>	<u>\$ 22,691,912.76</u>

There were Bonds and Notes Authorized but not Issued of \$200,000.00 and \$2,200,000.00 at December 31, 2022 and 2021 respectively.

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



BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	83,904.75
Decreased by:			
Improvement Authorization	C-9	\$ <u>60,000.00</u>	<u>60,000.00</u>
Balance, December 31, 2022	C	\$	<u><u>23,904.75</u></u>

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

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SEWER UTILITY FUND

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
Operating Fund:			
Cash	D-5	\$ 1,019,441.59	\$ 4,573,447.09
Investments		3,000,000.00	
Change Fund	D	<u>50.00</u>	<u>50.00</u>
		<u>4,019,491.59</u>	<u>4,573,497.09</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	<u>161,609.54</u>	<u>134,096.80</u>
<u>Total Operating Fund</u>		<u>4,181,101.13</u>	<u>4,707,593.89</u>
Capital Fund:			
Cash	D-5; D-6	4,678.64	4,678.64
Fixed Capital	D-13	<u>13,287,247.03</u>	<u>12,856,561.43</u>
<u>Total Capital Fund</u>		<u>13,291,925.67</u>	<u>12,861,240.07</u>
		<u>\$ 17,473,026.80</u>	<u>\$ 17,568,833.96</u>

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 350,375.62	\$ 670,293.75
Prepaid Sewer Rents	D-8	33,911.45	623,864.97
Encumbrances Payable	D-10	220,423.85	547,092.60
Accounts Payable	D-11	91,634.82	20,657.50
Sewer Overpayments	D-12		156.67
		<u>696,345.74</u>	<u>1,862,065.49</u>
Reserve for Receivables	D	161,609.54	134,096.80
Fund Balance	D-1	<u>3,323,145.85</u>	<u>2,711,431.60</u>
<u>Total Operating Fund</u>		<u><u>4,181,101.13</u></u>	<u><u>4,707,593.89</u></u>
Capital Fund:			
Reserve for Amortization	D-14	13,287,247.03	12,856,561.43
Fund Balance	D-2	<u>4,678.64</u>	<u>4,678.64</u>
<u>Total Capital Fund</u>		<u><u>13,291,925.67</u></u>	<u><u>12,861,240.07</u></u>
		<u><u>\$ 17,473,026.80</u></u>	<u><u>\$ 17,568,833.96</u></u>

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS  
AND CHANGE 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 REALIZED</u>			
Fund Balance Utilized	D-3	\$ 835,500.00	\$ 1,195,500.00
Sewer Rents	D-3	4,148,896.57	4,042,585.08
Non-Budget Revenue	D-3	524,078.50	254,787.56
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	674,239.18	575,402.71
Cancel Accounts Payable			144,364.20
<u>TOTAL INCOME</u>		<u>6,182,714.25</u>	<u>6,212,639.55</u>
<u>EXPENDITURES</u>			
Operating	D-4	4,210,000.00	4,539,000.00
Capital Improvements	D-4	380,000.00	620,000.00
Deferred Charged and Statutory Expenditures	D-4	145,500.00	136,500.00
<u>TOTAL EXPENDITURES</u>		<u>4,735,500.00</u>	<u>5,295,500.00</u>
Excess in Revenue		1,447,214.25	917,139.55
<u>Fund Balance</u>			
Balance, January 1	D	<u>2,711,431.60</u>	<u>2,989,792.05</u>
		4,158,645.85	3,906,931.60
Decreased by:			
Utilization by Sewer Utility Operating Budget	D-1:D-3	<u>835,500.00</u>	<u>1,195,500.00</u>
Balance, December 31	D	<u>\$ 3,323,145.85</u>	<u>\$ 2,711,431.60</u>

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

STATEMENTS OF CHANGE IN CAPITAL FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2021 and  
December 31, 2022

D

\$ 4,678.64

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

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

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 835,500.00	\$ 835,500.00	\$
Sewer Rents	D-1:D-3	3,900,000.00	4,148,896.57	248,896.57
Miscellaneous Revenue	D-1:D-3		524,078.50	524,078.50
	D-4	\$ <u>4,735,500.00</u>	\$ <u>5,508,475.07</u>	\$ <u>772,975.07</u>

ANALYSIS OF REALIZED REVENUE

Sewer Fees:

Treasurer:

Cash Received

D-7 \$ 3,525,031.60

Prepaid Applied

D-7 623,864.97

D-3 \$ 4,148,896.57

Miscellaneous Revenue Not Anticipated:

Interest on Investments

\$ 40,050.78

Interest on Sewer rents

26,179.36

Connection Fees

457,748.36

Miscellaneous

100.00

D-3;D-5 \$ 524,078.50

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



BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 650,000.00	\$ 650,000.00	\$ 644,098.43	\$ 5,901.57
Other Expenses	3,560,000.00	3,560,000.00	3,445,568.39	114,431.61
<u>Total Operating</u>	<u>4,210,000.00</u>	<u>4,210,000.00</u>	<u>4,089,666.82</u>	<u>120,333.18</u>
Capital Improvements:				
Capital Outlay	380,000.00	380,000.00	154,525.52	225,474.48
<u>Total Capital Improvements</u>	<u>380,000.00</u>	<u>380,000.00</u>	<u>154,525.52</u>	<u>225,474.48</u>
Statutory Expenditures:				
Contributions to:				
Public Employees Retirement System	91,000.00	91,000.00	91,000.00	
Social Security System (O.A.S.I.)	53,000.00	53,000.00	48,432.04	4,567.96
Unemployment Compensation Insurance	1,500.00	1,500.00	1,500.00	
<u>Total Deferred Charges and Statutory Expenditures</u>	<u>145,500.00</u>	<u>145,500.00</u>	<u>140,932.04</u>	<u>4,567.96</u>
	\$ 4,735,500.00	\$ 4,735,500.00	\$ 4,385,124.38	\$ 350,375.62
REF.	D-3		D-1	D; D-1
Cash Disbursements			\$ 4,164,700.53	
Encumbrances Payable			220,423.85	
			\$ 4,385,124.38	

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

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GENERAL FIXED ASSET ACCOUNT GROUP

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BOROUGH OF TINTON FALLS

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
Fixed Assets:		
Land	\$ 20,085,788.85	\$ 20,085,788.85
Buildings	24,621,266.24	24,621,266.24
Improvements Other Than Buildings	41,291.65	41,291.65
Machinery and Equipment	<u>10,979,640.33</u>	<u>10,096,345.57</u>
<u>Total Fixed Assets</u>	\$ <u>55,727,987.07</u>	\$ <u>54,844,692.31</u>
Reserve:		
Investments in General Fixed Assets	\$ <u>55,727,987.07</u>	\$ <u>54,844,692.31</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF TINTON FALLS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Tinton Falls is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough was formed as New Shrewsbury by an act of the New Jersey Legislature on August 15, 1950, based on the results of a referendum held on July 18, 1950, after breaking away from Shrewsbury Borough. It was renamed "Tinton Falls" in 1975. The Borough has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Borough Clerk.

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 of Tinton Falls include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Tinton Falls, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Tinton Falls do not include the operations of the Regional and Regional High School School Districts and Fire Districts, inasmuch as their activities are administered by separate boards.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds

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

The accounting policies of the Borough of Tinton Falls 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 Tinton Falls 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 group:

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created as well as records resources and expenditures for payroll purposes.

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

Sewer Utility Fund - records resources and expenditures for the operations and acquisition of capital equipment and facilities of the municipally owned Water Utility.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

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

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the 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. Utility charges are levied semi-annually based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 a revenue in the year of sale.

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

General Fixed Assets - N.J.A.C 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued) - Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Fixed Capital - Sewer Utility

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

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized.

The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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

Accounting and Financial Reporting for Pensions

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

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

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

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

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan).

The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

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

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)

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

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

Leases

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

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the financial statements required by GAAP.

E. Volunteer Length of Service Award Plan

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to reward active volunteer firefighters and emergency medical personnel. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of the "Length of Service Award Plan under Section 457€11 of the Internal Revenue Code".

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

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits.

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

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

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

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$22,563,219.86	(\$768,132.25)		\$21,795,087.61
NJ Cash Management Fund	666,897.80			666,897.80
Change Funds			675.00	675.00
	<u>\$23,230,117.66</u>	<u>(\$768,132.25)</u>	<u>\$675.00</u>	<u>\$22,462,660.41</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. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2022, the Borough's bank balance of \$23,230,117.86 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$20,436,634.72
Uninsured and Uncollateralized:	
N.J. Cash Management Fund	666,897.80
Escrow Deposits	<u>2,126,585.14</u>
	<u><u>\$23,230,117.66</u></u>

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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



NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

At year-end, the carrying value of the Township's investments and the investment balance was \$11,374,170.95 of which and is reflected in the financial statements as follows:

	<u>Current Fund</u>	<u>Sewer Operating Fund</u>	<u>Total</u>
Notes of Other Municipalities	\$3,000,000.00	\$3,000,000.00	\$6,000,000.00
U.S. Treasury Bills	2,478,227.50		2,478,227.50
U.S. Treasury Bonds & Notes	<u>2,930,005.00</u>	<u>                    </u>	<u>2,930,005.00</u>
	\$8,374,170.95	\$3,000,000.00	\$11,374,170.95

At December 31, 2022, the Borough had invested a total of \$6,000,000.00 in Capital Fund bond anticipation notes issued by the Borough to provide temporary financing for various capital projects in the General Capital Fund. The investment was made on October 26, 2022 and mature on January 26, 2023. The investments were issued at 2.50% interest. The fair value of these investments at December 31, 2022 is equal to cost. These investments do not trade in the open market and have not been rated by a nationally recognized rating agency.

U.S. Government Bonds

Guidelines established by GASB Statement No. 72 recognize a three-tiered fair value hierarchy for investments, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2022, the Borough had the following recurring fair value measurements:

	<u>December 31, 2022</u>	<u>Fair Value Measurements Using</u>		
		<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Debt Securities:				
U.S. Treasuries	\$ <u>5,374,170.95</u>	\$ <u>5,374,170.95</u>	\$ <u>-</u>	\$ <u>-</u>

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

As of December 31, 2022, the Borough has \$666,897.80 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory 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, shall mature and be paid off within ten years or financed by the issuance of bonds.

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

	<u>YEAR 2021</u>	<u>YEAR 2021</u>	<u>YEAR 2020</u>
Issued:			
General:			
Bonds, Notes and Loans	<u>\$17,147,000.00</u>	<u>\$17,217,000.00</u>	<u>\$17,605,000.00</u>
Net Debt Issued	<u>\$17,147,000.00</u>	<u>\$17,217,000.00</u>	<u>\$17,605,000.00</u>
Less: Open Space Debt - Trust Fund			
Tax	<u>3,477,000.00</u>	<u>3,562,000.00</u>	<u>3,247,000.00</u>
Net Debt Issued	<u><u>\$13,670,000.00</u></u>	<u><u>\$13,655,000.00</u></u>	<u><u>\$14,358,000.00</u></u>
 <u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>\$200,000.00</u>	<u>\$2,200,000.00</u>	<u>\$1,322,000.00</u>
Total Authorized but not Issued	<u>\$200,000.00</u>	<u>\$2,200,000.00</u>	<u>\$1,322,000.00</u>
Net Bonds and Notes Issued and			
and Authorized but not issued	<u><u>\$13,870,000.00</u></u>	<u><u>\$15,855,000.00</u></u>	<u><u>\$15,680,000.00</u></u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SUMMARY OF REGULATORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of .332%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$40,383,144.09	\$40,383,144.09	\$ -0-
General Debt	<u>17,347,000.00</u>	<u>3,687,657.83</u>	<u>13,659,342.17</u>
	<u>\$57,730,144.09</u>	<u>\$44,070,801.92</u>	<u>\$13,659,342.17</u>

NET DEBT \$13,659,342.17 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$4,116,479,961.00 EQUALS .332%.

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

Equalized Valuation Basis* - December 31, 2022	\$4,116,479,961.00
3-1/2 of Equalized Valuation Basis	144,076,798.64
Net Debt	<u>13,659,342.17</u>
Remaining Borrowing Power	<u>\$130,417,456.47</u>

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

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

Sewer Utility:

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$ 5,508,475.07
Deductions:	
Operating and Maintenance Cost	\$ <u>4,355,500.00</u>
Total Deductions	<u>4,355,500.00</u>
Excess in Revenue	\$ <u>1,152,975.07</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

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

CALENDAR	GENERAL CAPITAL		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$ 1,080,000.00	\$ 273,100.00	\$ 1,353,100.00
2024	1,100,000.00	227,250.00	1,327,250.00
2025	900,000.00	183,000.00	1,083,000.00
2026	920,000.00	147,750.00	1,067,750.00
2027	810,000.00	113,050.00	923,050.00
2028-2032	2,385,000.00	191,825.00	2,576,825.00
	<u>\$ 7,195,000.00</u>	<u>\$ 1,135,975.00</u>	<u>\$ 8,330,975.00</u>

The General Capital Bonds are comprised of the following issues:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2022</u>
\$1,460,000.00 in Monmouth County Improvement Authority Bonds dated December 19, 2012, due in remaining annual installments ranging between \$115,000.00 and \$125,000.00 beginning December 1, 2023 and ending December 1, 2026 with interest from 2.000% to 4.000%	\$485,000.00
\$2,200,000.00 in Monmouth County Improvement Authority Bonds dated December 24, 2014, due in two remaining annual installments of \$225,000.00 beginning December 1, 2023 and ending December 1, 2024 with interest at 5.000%	450,000.00
\$5,175,000.00 in Refunding Bonds dated May 18, 2016, due in remaining annual installments ranging between \$450,000.00 and \$545,000.00 beginning January 1, 2023 and ending January 1, 2029 with interest from 3.250% to 4.000%	3,545,000.00
\$2,865,000.00 in General Obligation Refunding Bonds dated August 25, 2020, due in remaining annual installments ranging between \$215,000.00 and \$250,000.00 beginning January 1, 2023 and ending January 1, 2032 with interest at 4.000%	2,340,000.00
\$455,000.00 in Open Space Refunding Bonds dated August 25, 2020, due in remaining annual installments ranging between \$35,000.00 and \$40,000.00 beginning January 1, 2023 and ending January 1, 2032 with interest at 4.000%	375,000.00
	<u>\$7,195,000.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term 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>\$200,000.00</u>
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SHORT TERM DEBT

At December 31, 2022, the Borough has the following Bond Anticipation Note outstanding:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
11-1329	12/13/13	10/26/22	01/26/23	2.50%	\$200,000.00
16-1405	12/01/16	10/26/22	01/26/23	2.50%	915,000.00
18-1430	10/31/18	10/26/22	01/26/23	2.50%	1,915,000.00
19-1451	10/29/20	10/26/22	01/26/23	2.50%	2,200,000.00
20-1462	10/29/20	10/26/22	01/26/23	2.50%	770,000.00
20-1462	10/29/20	10/26/22	10/26/23	3.55%	230,000.00
20-1462	10/28/21	10/26/22	10/26/23	3.55%	1,722,000.00
21-1477/22-1488	10/26/22	10/26/22	10/26/23	3.55%	<u>2,000,000.00</u>
					<u>\$9,952,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$4,200,000.00
Sewer Utility Operating Fund	\$1,250,000.00

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2021</u>
Prepaid Taxes	<u>\$450,060.86</u>	<u>\$558,808.64</u>

NOTE 6: PENSION PLANS

Plan Descriptions

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

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

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

Vesting and Benefit Provisions

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2019, PERS provides for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>Public Employees</u> <u>Retirement System</u>	<u>Police &amp; Firemen's</u> <u>Retirement System</u>	<u>Defined Contribution</u> <u>Retirement System</u>	<u>Total</u>
2022	\$817,566.00	\$1,701,348.00	\$3,668.67	\$2,522,582.67
2021	776,614.34	1,623,178.00	2,668.10	2,402,460.44
2020	727,988.00	1,450,988.00	3,367.31	2,182,343.31

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



NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

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

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

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$12,092,220.00 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 0.0801266869 percent, which was a decrease of 0.0025454887 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 \$854,769.00 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 \$908,566.00.

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:

		Deferred Outflow of <u>Resources</u>		Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$	87,276.00	\$	76,965.00
Changes of assumptions		37,466.00		1,810,684.00
Net difference between projected and actual earnings on pension plan investments		500,486.00		
Changes in proportion and differences between Borough contributions and proportionate share of contributions		<u>770,645.00</u>		<u>229,204.00</u>
	\$	<u>1,395,873.00</u>	\$	<u>2,116,853.00</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	(\$928,970.80)
2024	(420,159.80)
2025	(149,425.80)
2026	670,522.20
2027	<u>107,054.20</u>
	<u>(\$720,980.00)</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%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$15,534,961.00	\$12,092,220.00	\$9,162,309.00

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 0.0804468056%, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$25,443.00.

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, 2021, the State reported a net pension liability of \$10,669,920.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the Borough's proportion was 0.1459802700 percent, which was an increase of 0.0023338212 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$1,007,778.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2021 billing was \$1,623,178.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

		Deferred Outflow of <u>Resources</u>		Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$	121,731.00	\$	1,278,146.00
Changes of assumptions		56,776.00		3,197,726.00
Net difference between projected and actual earnings on pension plan investments				4,546,800.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions		<u>761,300.00</u>		
	\$	<u>939,807.00</u>	\$	<u>9,022,672.00</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>Amount</u>
<u>June 30</u>		
2022	\$	(2,679,095.00)
2023		(1,973,078.00)
2024		(1,671,429.00)
2025		(1,646,119.00)
2026		(74,581.00)
Thereafter		<u>(38,563.00)</u>
	\$	<u>(8,082,865.00)</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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

	<u>June 30, 2021</u>
Inflation:	
Price	2.75%
Salary Increases	
Through All Future Years	3.25-15.25%
	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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.



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, 2021 and June 30, 2020) 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, 2021 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%	8.09%
Non-U.S. Developed market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

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, 2021 and June 30, 2020, respectively. 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, 2021 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	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	\$16,201,940.00	\$10,669,920.00	\$6,065,111.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2021 and 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,000,913.00 and \$6,722,316.00, respectively.

At June 30, 2021, 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	\$10,669,920.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>3,000,913.00</u>
	<u>\$13,670,833.00</u>

Pension plan fiduciary net position

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

NOTE 7: LITIGATION

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

NOTE 8: SCHOOL TAXES

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

	Regional District School Tax	
	Balance	Balance
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Balance of Tax	12,373,591.50	12,428,831.52
Deferred	<u>8,549,999.23</u>	<u>8,549,999.23</u>
Tax Payable	<u><u>\$3,823,592.27</u></u>	<u><u>\$3,878,832.29</u></u>

	Regional District High School Tax	
	Balance	Balance
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Balance of Tax	11,592,225.95	11,791,605.47
Deferred	<u>6,684,604.50</u>	<u>6,684,604.50</u>
Tax Payable	<u><u>\$4,907,621.45</u></u>	<u><u>\$5,107,000.97</u></u>

NOTE 9: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date as outlined in Borough personnel policies. The Borough estimates that the current cost of such unpaid compensation to be \$1,173,436.66 and \$1,353,729.93, at December 31, 2022 and 2021 respectively. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The Borough has established a Reserve for Accumulated Absences in the Trust Other Fund in the amount of \$3,219.72 and \$44,610.28 at December 31, 2022 and 2021, respectively.

NOTE 10: TAX APPEALS

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

NOTE 11: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives.

NOTE 12: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disasters. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund ("JIF"). The JIF is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payment of the JIF's obligations, no such additional premiums have been necessary as of December 31, 2022. The JIF is expected to be self-sustaining through member premiums of which the Borough portion is reported as expenditure in the Borough's financial statements and liabilities of the JIF are based on the estimated ultimate cost of settling the claims. The JIF participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance. The Borough is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

NOTE 12: RISK MANAGEMENT (CONTINUED)

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

	Borough		
	Contributions	Amount	Ending
<u>Year</u>	<u>and Interest</u>	<u>Reimbursed</u>	<u>Balance</u>
2022	\$55,921.72	\$95,085.53	\$121,418.75
2021	28,827.85	18,932.20	160,582.56
2020	28,815.99	40,418.27	150,686.91

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The plan's assets are not the property of the Borough and therefore are not presented in the financial statements.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

The Borough of Tinton Falls has adopted an ordinance establishing a Length of Service Awards Program for the members of the in accordance with Chapter 388 of the Laws of 1997 (N.J.S.A. 40A:14-183 et seq.) and N.J.A.C. 5:30-14.1 et seq. to reward active volunteer firefighters and emergency medical personnel.

Contributions

If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$1,733.72 for the year ended December 31, 2022 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2022, the Borough contributed a total of \$41,815.02 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts

Each participant's account is credited with the Borough's contribution and Plan earnings and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. VALIC, Inc. ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting

Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM (CONTINUED)

Payment of Benefits

Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts

During the year ended December 31, 2022, no accounts were forfeited.

Reporting Requirements

The New Jersey Administrative Code N.J.A.C. 5:30-14.49 requires that the Borough have performed a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services.

Plan Information

Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

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

NOTE 15: TAX ABATEMENTS

The Borough is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter "HMFA Law"), and resolutions of the Council, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years. All the units in the project qualify as low- or moderate-income units under the Fair Housing Act, NJSA, 52:270-301 et seq. the regulations of the council on Affordable Housing, NJAC5:94: et seq. and NJAC 5:95 et seq. and the Uniform Housing Affordability Controls, NJAC 5:94 et seq. Tax abatements may be granted to any affordable housing, as deemed appropriate by the Borough. During 2022 the Borough abated Municipal Purpose taxes in the amount of \$435,877.76 and collected \$602,157.53 in P.I.L.O.T fees.



NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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

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

Plan Description and Benefits Provided

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

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

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

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

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

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

Contributions

The Borough's contributions to the Plan for the years ended December 31, 2021, 2020, and 2019, were \$1,113,336.24, \$797,676.78 and \$603,735.00 respectively, which equaled the required contributions for each year.

Total Net OPEB Liability

At June 30, 2021, the Plan reported a liability of \$29,332,084.00 for the Borough's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021.

At June 30, 2021, the Borough's proportion was 0.162958 percent, which was a decrease of 0.001150 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State reported OPEB expense of \$24,465.00. This OPEB benefit was based on the OPEB plans June 30, 2021 measurement date.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability (Continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$658,177	\$6,136,705
Changes of assumptions	4,219,508	5,184,790
Net difference between projected and actual earnings on OPEB plan investments	14,025	-
Changes in proportion	<u>1,565,094</u>	<u>2,454,755</u>
	<u>\$6,456,804</u>	<u>\$13,776,250</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 OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2022	(\$1,929,329)
2023	(1,931,633)
2024	(1,933,738)
2025	(1,431,758)
2026	(388,709)
Total Thereafter	<u>295,722</u>
	<u><u>(\$7,319,446)</u></u>

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

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

	<u>2021</u>	<u>2020</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):		
Rate for all future years	3.25% to 15.25%	3.25% to 15.25%

Mortality:

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

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

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

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

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Discount Rate

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

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

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

	June 30, 2021		
	1.00% <u>Decrease (1.16%)</u>	At Discount Rate (2.16%)	1.00% <u>Increase (3.16%)</u>
Tinton Falls' proportionate share of the Net OPEB Liability	\$34,518,236	\$29,332,084	\$25,221,946

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

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

	June 30, 2021		
	1.00% <u>Decrease</u>	Healthcare Cost Trend Rate	1.00% <u>Increase</u>
Tinton Falls' proportionate share of the Net OPEB Liability	\$24,472,836	\$29,332,084	\$35,672,799

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

OPEB Plan Fiduciary Net Position

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

NOTE 17: FIXED ASSETS

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

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Land	\$20,085,788.85			\$20,085,788.85
Building	24,621,266.24			24,621,266.24
Machinery & Equipment	10,137,637.22	1,077,318.25	194,023.49	11,020,931.98
	<u>\$54,844,692.31</u>	<u>\$1,077,318.25</u>	<u>\$194,023.49</u>	<u>\$55,727,987.07</u>

NOTE 18: LEASE RECEIVABLE

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

- T-Mobile Cell Tower. The current lease term expires 03/31/26 with three five year extensions available which are likely to be exercised.. The lessee must provide notice of intention to terminate to the lessor not less than sixty days prior to the expiration of any subsequent renewal term. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is 1.518% and is equal to the incremental borrowing rate of the Lessor.
- AT&T Cell Tower. The current lease term expires 01/31/23 with four remaining five year extensions available. The lessee must provide notice of intention to terminate to the lessor not less than thirty days prior to the expiration of any subsequent renewal term. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is 1.587% and is equal to the incremental borrowing rate of the Lessor.

NOTE 18: LEASE RECEIVABLE (CONTINUED)

Under the provisions of GASB 87, in 2022 the Borough would recognize lease revenue of \$64,735.10 and \$35,780.11 of interest revenue under the lease.

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

Year Ending December 31,	Lease Receivable		
	Principal	Interest	Total
2023	\$68,786.86	\$34,743.81	\$103,530.67
2024	72,993.22	33,643.36	106,636.58
2025	77,359.51	32,476.17	109,835.68
2026	81,890.91	31,239.84	113,130.75
2027	86,592.94	29,931.73	116,524.67
2028 - 2032	509,874.65	127,330.03	637,204.68
2033 - 2037	656,498.93	82,195.92	738,694.85
2038 - 2042	696,480.76	26,265.06	722,745.82
2043	8,715.25	11.74	8,726.99
	<u>\$2,259,193.03</u>	<u>\$397,837.66</u>	<u>\$2,657,030.69</u>

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

NOTE 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 2, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no subsequent event needed to be disclosed.

BOROUGH OF TINTON FALLS  
SUPPLEMENTARY SCHEDULES - ALL FUNDS  
YEAR ENDED DECEMBER 31, 2022



BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>		<u>CURRENT FUND</u>	<u>GRANT FUND</u>
A	Balance, December 31, 2021	\$ 22,145,905.84	\$ 1,266,313.46
	Increased by Receipts:		
A-5	Property Taxes Receivable	\$ 71,260,208.33	\$
A-7	Petty Cash	250.00	
A-12	Revenue Accounts Receivable	7,861,851.10	
A-2	Miscellaneous Revenue Not Anticipated	929,515.67	
A-8	State of N.J.- Senior Citizens and Veterans Deductions	144,041.09	
A-14	Reserve for Miscellaneous Deposits	54,287.00	
A	Reserve for Municipal Relief Fund - State Aid	77,748.14	
A-27	Interfunds		15,500.00
A-24	Grants Receivable		206,247.74
A-26	Reserve for Grants - Unappropriated		934,212.33
		<u>80,327,901.33</u>	<u>1,155,960.07</u>
		\$ 102,473,807.17	\$ 2,422,273.53
	Decreased by Disbursements:		
A-3	2022 Appropriations	\$ 24,663,956.18	\$
A-13	2021 Appropriation Reserves	1,290,404.66	
A-14	Reserve for Miscellaneous Deposits	58,616.00	
A-15	Refund of Tax Overpayments	146,346.91	
A-17	Accounts Payable	113,877.24	
A-19	County Taxes Payable	10,465,740.07	
A-20	Regional School District Tax	26,544,901.02	
A-21	Regional High School District Taxes	14,555,085.52	
A-22	Municipal Open Space Tax	970,395.23	
A-23	Special District Tax Payable	2,260,202.00	
A-28	Interfunds	15,500.00	
A-7	Petty Cash	250.00	
A-1	Budget Operations	77,618.17	
A	Investments	8,374,170.95	
A-26	Reserve for Grants - Unappropriated		608,857.00
A-25	Reserve for Grants-Appropriated		239,921.58
		<u>89,537,063.95</u>	<u>848,778.58</u>
A	Balance, December 31, 2022	\$ 12,936,743.22	\$ 1,573,494.95

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

REF.

Increased by Receipts:

Property Taxes Receivable	A-9	\$	70,546,334.44	
Tax Overpayments	A-15		152,168.46	
Prepaid Taxes	A-18		450,060.86	
Tax Title Liens	A-10		838.37	
Revenue Accounts Receivable	A-12		<u>110,806.20</u>	
				\$ <u>71,260,208.33</u>

Decreased by Disbursements:

Payments to Treasurer	A-4			\$ <u><u>71,260,208.33</u></u>
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"A-6"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

<u>DEPARTMENT</u>	BALANCE DECEMBER 31, 31, 2021	CASH RECEIPTS	CASH DISBURSEMENT	BALANCE DECEMBER 31, 31, 2022
Clerk of Municipal Court	\$ 500.00	\$	\$	\$ 500.00
Municipal Clerk	25.00			25.00
Tax Collector	100.00			100.00
	<u>\$ 625.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 625.00</u>

REF.

A

A

"A-7"

SCHEDULE OF PETTY CASH FUND

<u>DEPARTMENT</u>	BALANCE DECEMBER 31, 31, 2021	CASH RECEIPTS	CASH DISBURSEMENT	BALANCE DECEMBER 31, 31, 2022
Tax Collector	\$	\$ 250.00	\$ 250.00	\$ -
	<u>\$</u>	<u>\$ 250.00</u>	<u>\$ 250.00</u>	<u>\$</u>

REF.

A-4

A-4

BOROUGH OF TINTON FALLS

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2021 (Due to)	A	\$	5,817.91
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$	10,750.00
Veterans Deductions Per Tax Billing			129,250.00
Deductions Allowed by Tax Collector			<u>3,500.00</u>
			143,500.00
		\$	<u>149,317.91</u>
Decreased by:			
Deductions Disallowed by Collector:			
Received in Cash From State	A-4	\$	144,041.09
Deductions Disallowed by Tax Collector			3,000.00
Prior Year Deductions Disallowed by Tax Collector	A-1		<u>1,458.91</u>
			148,500.00
Balance, December 31, 2022 (Due to)	A	\$	<u><u>817.91</u></u>

ANALYSIS OF STATE SHARE OF 2022  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$	10,750.00
Veterans Deductions Per Tax Billing			129,250.00
Deductions Allowed by Tax Collector			<u>3,500.00</u>
	A-9	\$	<u><u>140,500.00</u></u>

"A-9"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2021	2022 LEVY	ADDED	CASH COLLECTIONS 2021	2022	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2022
2021	\$ 519,816.06	\$	\$ 1,458.91	\$	\$ 521,274.06	\$ 0.91	\$	\$
2022		70,869,615.22	540,676.31	558,808.64	70,165,560.38	33,307.86	12,202.30	640,412.35
	\$ 519,816.06	\$ 70,869,615.22	\$ 542,135.22	\$ 558,808.64	\$ 70,686,834.44	\$ 33,308.77	\$ 12,202.30	\$ 640,412.35
REF.	A			A-2-A-18	A-2		A-10	A

Cash-Collector	REF.
State Share of Senior Citizens and	A-5
Veterans Deductions	A-8

\$	70,546,334.44
	140,500.00
\$	70,686,834.44

ANALYSIS OF 2022 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Property Tax	\$ 70,869,615.22
Added and Omitted Tax (54:4-63.1 et seq.)	540,676.31
	\$ 71,410,291.53

TAX LEVY

Regional School District Taxes	A-20	\$ 26,489,661.00
Regional High School District Taxes	A-21	14,355,706.00
Fire District Taxes	A-23	2,259,452.00
County Taxes:		
County Tax	A-19	\$ 10,298,908.28
Due County for Added Taxes		
(54:4-63.1 et seq.)	A-19	78,878.35
		10,377,786.63
Local Tax for Municipal Purposes	A-2	16,460,918.62
Municipal Open Space	A-22	970,395.23
Additional Tax Levied		496,372.05
		17,927,685.90
		\$ 71,410,291.53

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	111,778.71
Increased by:			
Transfers From Taxes Receivable	A-9	\$	<u>12,202.30</u>
			12,202.30
		\$	<u>123,981.01</u>
Decreased by:			
Cash Receipts	A-2:A-5		<u>838.37</u>
			838.37
Balance, December 31, 2022	A	\$	<u><u>123,142.64</u></u>

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF DEBRIS LIEN RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	420.88
Increased by:			
Accrued			252.36
		\$	<u>673.24</u>
Decreased by:			
Cash Receipts	A-4	\$	<u><u>673.24</u></u>

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>ACCRUED IN 2022</u>	<u>COLLECTED BY TREASURER/ COLLECTOR</u>	<u>BALANCE DECEMBER 31, 2022</u>
Clerk:					
Licenses:					
Alcoholic Beverage Licenses	A-2	\$	\$ 37,930.00	\$ 37,930.00	\$
Other	A-2		38,123.00	38,123.00	
Fees and Permits	A-2		404,846.67	404,846.67	
Municipal Court:					
Fines and Costs	A-2	12,655.45	156,989.67	155,911.97	13,733.15
Interest and Costs on Taxes	A-2		110,806.20	110,806.20	
Interest on Investments and Deposits	A-2		280,077.01	280,077.01	
Commercial Garbage Fee	A-2		87,346.43	87,346.43	
Energy Receipts Tax	A-2		1,490,459.00	1,490,459.00	
Uniform Construction Code Fees	A-2		707,431.00	707,431.00	
Shared Services - Municipal Court - (Eatontown and Monmouth Beach)	A-2		362,010.00	362,010.00	
Shared Services - Finance (Keyport)	A-2		63,672.00	63,672.00	
Hotel Occupancy Tax	A-2		455,075.22	455,075.22	
Franchise Fees	A-2		287,570.87	287,570.87	
Payment in Lieu of Taxes - CommVault	A-2		308,937.15	308,937.15	
Host Benefit Fees	A-2		2,422,517.78	2,422,517.78	
Open Space Trust - Principal on Bonds	A-2		85,000.00	85,000.00	
Open Space Trust - Interest on Bonds	A-2		32,155.00	32,155.00	
Open Space Trust - Interest on Notes	A-2			33,931.00	
CoronaVirus SLFRF Revenue Loss	A-2		608,857.00	608,857.00	
		<u>\$ 12,655.45</u>	<u>\$ 7,939,804.00</u>	<u>\$ 7,972,657.30</u>	<u>\$ 13,733.15</u>
	<u>REF.</u>	A			A
Tax Collector	A-5			\$ 110,806.20	
Treasurer	A-4			<u>7,861,851.10</u>	
				<u>\$ 7,972,657.30</u>	



BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Salaries and Wages:</u>				
General Administration	\$ 25,111.24	\$ 25,111.24	\$	25,111.24
Borough Council	0.62	0.62		0.62
Office of Mayor	0.98	0.98		0.98
Municipal Clerk	10,899.62	10,899.62		10,899.62
Office of the Tax Assessor	73.86	73.86		73.86
Human Resources	2,521.88	2,521.88		2,521.88
Division of Central Services	4,542.10	4,542.10		4,542.10
Division of Recreation	67,371.18	67,371.18	20,032.00	47,339.18
Maintenance of Parks	14,337.61	14,337.61	2,798.33	11,539.28
Emergency Management	15,353.59	15,353.59		15,353.59
Municipal Prosecutor	4.96	4.96		4.96
Division of Finance	4,331.84	4,331.84		4,331.84
Division of Revenue	4,916.36	4,916.36		4,916.36
Division of Planning	4,210.09	4,210.09		4,210.09
Division of Zoning	4,826.60	4,826.60		4,826.60
Uniform Construction Code	27,026.91	27,026.91		27,026.91
Division of Code Enforcement	497.44	497.44		497.44
Police	201,121.21	201,121.21	12,511.62	188,609.59
Division of Fire Prevention	18,510.40	18,510.40		18,510.40
Division of Streets	17,594.45	17,594.45	1,049.31	16,545.14
Central Maintenance	20,790.20	20,790.20	1,139.17	19,651.03
Division of Sanitation	122,594.23	122,594.23	4,785.96	117,808.27
Division of Buildings and Grounds	33,388.67	33,388.67	928.80	32,459.87
Municipal Court - Monmouth Beach & Eatontown				
Salaries & Wages	21,887.07	21,887.07	126.00	21,761.07
Municipal Court	8,567.86	8,567.86	126.00	8,441.86
Public Defender	4.82	4.82		4.82
<u>Other Expenses:</u>				
General Administration:				
Miscellaneous	10,177.02	11,612.89	460.87	11,152.02
Information Technology	7,444.71	30,100.33	23,105.32	6,995.01
Borough Council	5,334.04	5,334.04		5,334.04
Office of the Mayor	1,475.00	1,475.00		1,475.00
Borough Clerk:				
Miscellaneous	18,609.01	21,092.59	1,155.26	19,937.33
Revision and Codification of Ordinances	35,000.00	35,000.00		35,000.00
Human Resources	580.44	842.39	281.66	560.73
Division of Finance	2,168.86	3,234.33	1,063.75	2,170.58
Auditing Services		29,000.00	29,000.00	
Division of Revenue	3,549.04	5,585.85	585.81	5,000.04
Office of the Tax Assessor	9,514.12	60,671.61	48,419.99	12,251.62
Division of Central Services:				
Miscellaneous Other Expense	7,645.56	8,658.42	2,317.88	6,340.54
Division of Law	41,895.40	80,151.81	8,395.50	71,756.31
Engineering Services	10,000.00	10,867.90	786.88	10,081.02
Division of Planning	1,624.93	33,264.69	2,618.73	30,645.96
Division of Zoning	2,077.98	21,702.55	1,088.37	20,614.18
Division of Housing	1,000.00	26,000.00		26,000.00
Uniform Construction Code	1,764.94	5,363.83	3,598.89	1,764.94
Division of Code Enforcement	163.12	4,165.62	3,690.00	475.62
Police	28,642.02	188,671.23	168,318.90	20,352.33
Emergency Management Services	13,347.82	32,572.86	19,225.04	13,347.82
Division of Fire Prevention	1,178.74	5,052.59	3,963.85	1,088.74
Prosecutor	4,000.00	4,000.00		4,000.00
Division of Streets	9,510.94	33,667.67	21,920.89	11,746.78
Central Maintenance	27,704.33	63,455.06	34,654.70	28,800.36
Division of Sanitation:				
Landfill/Solid Waste Disposal Costs	108,606.90	128,620.21	32,956.92	95,663.29
Miscellaneous Other Expense	229.63	947.14	717.51	229.63
Division of Buildings and Grounds	4,504.50	26,163.27	20,323.35	5,839.92
Shade Tree	834.50	834.50		834.50
Historic Sites Office	1,647.60	4,093.60	2,406.00	1,687.60

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Other Expenses (Continued):</u>				
Contribution to Social Service Agencies	\$ 3,610.00	\$ 3,610.00	1,705.00	\$ 1,905.00
Division of Recreation	41,687.69	67,463.88	22,007.86	45,456.02
Maintenance of Parks	7,680.84	10,062.92	430.77	9,632.15
Community Services Act	88,295.00	88,295.00	2,935.73	85,359.27
Insurance:				
Group Insurance	93,641.14	93,641.14		93,641.14
Division of Health	92.48	92.48		92.48
Environmental Health Services	2,960.00	17,896.00	14,936.00	2,960.00
Municipal Court	11,602.07	13,631.76	2,380.98	11,250.78
Public Defender	800.00	800.00		800.00
Public Employees Occupational Safety & Health Act	3,500.00	3,500.00		3,500.00
Utility:				
Electricity	63,136.00	64,120.90	15,395.80	48,725.10
Street Lighting	10,347.56	18,560.57	8,255.04	10,305.53
Telephone	13,518.12	17,359.60	3,841.48	13,518.12
Water	5,098.38	6,047.59	2,771.43	3,276.16
Natural Gas	6,566.27	14,184.45	9,272.04	4,912.41
Gasoline & Diesel Fuel	33,211.56	79,476.76	46,265.20	33,211.56
Telecommunications	12,658.16	19,311.54	7,022.36	12,289.18
Social Security	45,609.44	45,609.44	2,610.55	42,998.89
Defined Contribution Retirement System	6,331.90	6,331.90		6,331.90
Public Employees' Retirement System	80.66	80.66		80.66
LOSAP = Volunteer Ambulance	45,000.00	45,000.00	41,815.02	3,184.98
NJDES Stormwater Permit	2,826.26	6,111.26	2,361.90	3,749.36
Recycling Tax	244.81	751.59	551.78	199.81
Interlocal Municipal Services:				
Police Dispatching Service - County of Monmouth	1.00	1.00		1.00
Municipal Court - Monmouth Beach & Eatontown				
Other Expenses	18,911.37	21,163.32	2,261.59	18,901.73
Acquisition of Automation Refuse Containers	4,206.04	4,206.04		4,206.04
Acquisition of Automated Sanitation Truck		254,000.00	254,000.00	
Acquisition of Police Body Cameras	43,275.00	103,951.00	60,440.00	43,511.00
Acquisition of Multi-Purpose Hook Lift Truck		216,000.00	216,000.00	
Acquisition of Leaf Vacuum Attachment	9,843.56	119,000.00	109,156.44	9,843.56
	<u>\$ 1,565,452.25</u>	<u>\$ 2,852,948.57</u>	<u>\$ 1,300,970.23</u>	<u>\$ 1,551,978.34</u>

REF.

A

A-1

Budget - Reserved  
Reserve for Encumbrances

A-13  
A-16

\$ 1,565,452.25  
1,287,496.32  
2,852,948.57

Cash Disbursements  
Transferred to Accounts Payable

A-4  
A-17

\$ 1,290,404.66  
10,565.57  
1,300,970.23

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER <u>31, 2021</u>	<u>INCREASE</u>	<u>DECREASE</u>	BALANCE DECEMBER <u>31, 2022</u>
Due State of New Jersey:				
Marriage License Fees	\$ 425.00	\$ 1,550.00	\$ 1,975.00	\$
DCA Fees	<u>18,523.00</u>	<u>52,737.00</u>	<u>56,641.00</u>	<u>14,619.00</u>
	\$ <u>18,948.00</u>	\$ <u>54,287.00</u>	\$ <u>58,616.00</u>	\$ <u>14,619.00</u>
<u>REF.</u>	A	A-4	A-4	A

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	11,106.10
Increased by:			
Cash Receipts	A-5	\$	<u>152,168.46</u>
			<u>152,168.46</u>
		\$	<u>163,274.56</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u>146,346.91</u>
		\$	<u>146,346.91</u>
Balance, December 31, 2022	A	\$	<u><u>16,927.65</u></u>

"A-16"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2021			
Current Fund	A	\$ 1,287,496.32	
Grant Fund	A	<u>123,354.02</u>	
			\$ 1,410,850.34
Increased by:			
Budget Appropriations	A-3	\$ 1,266,860.29	
Reserve for Grants Appropriated	A-25	<u>9,027.39</u>	
			<u>1,275,887.68</u>
			\$ 2,686,738.02
Decreased by:			
Transferred to:			
Appropriation Reserves	A-13	\$ 1,287,496.32	
Reserve for Grants Appropriated	A-25	<u>123,354.02</u>	
			<u>1,410,850.34</u>
Balance, December 31, 2022			\$ <u>1,275,887.68</u>
<u>Analysis of Balance</u>			
Current Fund	A		\$ 1,266,860.29
Grant Fund	A		<u>9,027.39</u>
			\$ <u>1,275,887.68</u>

"A-17"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2021	A		\$ 116,775.24
Increased by:			
Transferred from			
Appropriation Reserves	A-13	\$ <u>10,565.57</u>	
			<u>10,565.57</u>
			\$ 127,340.81
Cash Disbursements	A-4	\$ 113,877.24	
Canceled	A-1	<u>2,898.00</u>	
			<u>116,775.24</u>
Balance, December 31, 2022	A		\$ <u>10,565.57</u>

"A-18"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	558,808.64
Increased by:			
Collection of 2023 Taxes	A-5		<u>450,060.86</u>
		\$	1,008,869.50
Decreased by:			
Applied to Taxes Receivable	A-9		<u>558,808.64</u>
Balance, December 31, 2022	A	\$	<u><u>450,060.86</u></u>

"A-19"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2021	A	\$	166,831.79
2022 Tax Levy:			
County Tax	A-1:A-9	\$	10,298,908.28
Added County Taxes	A-1:A-9		<u>78,878.35</u>
			<u>10,377,786.63</u>
		\$	10,544,618.42
Decreased by:			
Cash Disbursements	A-4	\$	<u>10,465,740.07</u>
Balance, December 31, 2022	A	\$	<u><u>78,878.35</u></u>

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX

	<u>REF.</u>		
Balance, December 31, 2021			
Taxes Payable	A	\$ 3,878,832.29	
Taxes Deferred		<u>8,549,999.23</u>	
			\$ 12,428,831.52
Increased by:			
Levy Fiscal Year 2022	A-1;A-9		<u>26,489,661.00</u>
			\$ 38,918,492.52
Decreased by:			
Payment to Regional District School	A-4		<u>26,544,901.02</u>
Balance, December 31, 2022			\$ <u>12,373,591.50</u>
Analysis of Balance			
Payable	A	\$ 3,823,592.27	
Deferred		<u>8,549,999.23</u>	
			\$ <u>12,373,591.50</u>
2022 Liability for Local District School Tax:			
Taxes Paid			\$ 26,544,901.02
Less: Taxes Payable Balance, December 31, 2021			<u>3,878,832.29</u>
			\$ 22,666,068.73
Add: Taxes Payable Balance, December 31, 2022			<u>3,823,592.27</u>
Amount Charged to 2022 Operations	A-1		\$ <u>26,489,661.00</u>

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAX

	<u>REF.</u>		
Balance, December 31, 2021			
Taxes Payable	A	\$ 5,107,000.97	
Taxes Deferred		<u>2,270,231.55</u>	
			\$ 7,377,232.52
Increased by:			
Levy Fiscal Year 2022	A-1;A-9		<u>14,355,706.00</u>
			\$ 21,732,938.52
Decreased by:			
Payment to Regional District School	A-4		<u>14,555,085.52</u>
Balance, December 31, 2022			\$ <u><u>7,177,853.00</u></u>
Analysis of Balance			
Payable	A	\$ 4,907,621.45	
Deferred		<u>2,270,231.55</u>	
			\$ <u><u>7,177,853.00</u></u>
2022 Liability for Local District School Tax:			
Taxes Paid			\$ 14,555,085.52
Less: Taxes Payable Balance, December 31, 2021			<u>5,107,000.97</u>
			\$ 9,448,084.55
Add: Taxes Payable Balance, December 31, 2022			<u>4,907,621.45</u>
Amount Charged to 2022 Operations	A-1		\$ <u><u>14,355,706.00</u></u>



"A-22"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Increased by:

Open Space Levy 2022	A-1:A-9	\$	963,208.00	
Open Space Added	A-1:A-9		<u>7,187.23</u>	
				\$ <u>970,395.23</u>

Decreased by:

Cash Disbursements	A-4			\$ <u><u>970,395.23</u></u>
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"A-23"

SCHEDULE OF FIRE DISTRICT TAX

Balance, December 31, 2021	A			\$ 750.00
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Increased by:

Fire District Levy 2022				
Fire District #1		\$	1,285,577.00	
Fire District #2			<u>973,875.00</u>	
	A-1:A-9			<u>2,259,452.00</u>
				\$ <u>2,260,202.00</u>

Decreased by:

Cash Disbursements	A-4			\$ <u><u>2,260,202.00</u></u>
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BOROUGH OF TINTON FALLS

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>ACCRUED</u> <u>2022</u> <u>BUDGET</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
Recycling Tonnage Grant	\$	56,663.05	\$ 56,663.05	\$ -
Body Armor Replacement Fund		1,916.21	1,916.21	-
Drunk Driving Enforcement Fund		8,354.35		8,354.35
Body Worn Camera Grant	89,672.00		89,672.00	-
Clean Communities Grant		44,996.48	44,996.48	
Monmouth County Historical Grant		10,000.00	10,000.00	
Monmouth County Historical Re-Grant		2,000.00	2,000.00	-
ANJEC - 2022 Open Space Stewardship Grant		1,500.00	1,000.00	500.00
	<u>\$ 89,672.00</u>	<u>\$ 125,430.09</u>	<u>\$ 206,247.74</u>	<u>\$ 8,854.35</u>
<u>REF.</u>	<u>A</u>	<u>A-2</u>	<u>A-4</u>	<u>A</u>

BOROUGH OF TINTON FALLS

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

GRANT/PROGRAM	BALANCE DECEMBER 31, 2021	PRIOR YEAR ENCUMBRANCES PAYABLE	MODIFIED	2022 BUDGET APPROPRIATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2022
Local Grants:						
Monmouth County Joint Insurance Fund	\$ 450.00	\$	450.00	\$	\$	450.00
Donation - Fire Prevention Training	200.03		200.03			200.03
Comcast - Technology Contribution		441.30	441.30			441.30
Monmouth County Historical Grant				23,500.00	23,500.00	
Monmouth County Historical Re-Grant				4,000.00	2,652.75	
ANJEC - 2022 Open Space Stewardship Grant				1,500.00	1,500.00	1,347.25
State Grants:						
Alcohol Education and Rehabilitation Fund	3,056.68		3,056.68			3,056.68
Drunk Driving Enforcement Fund	11,414.45	19,305.00	30,719.45	8,354.35	34,292.08	4,781.72
Recycling Tonnage Grant	246,650.61	2,595.50	249,246.11	56,663.05	49,145.17	256,763.99
Clean Communities Program - 2017	677.16		677.16			677.16
Clean Communities Program - 2018	163.14		163.14			163.14
Clean Communities Program - 2019	11,568.62		11,568.62		60.00	11,508.62
Clean Communities Program - 2020	2,023.62	8,792.52	10,816.14		7,311.50	3,504.64
Clean Communities Program - 2021	41,454.58	2,547.70	44,002.28		32,914.23	11,088.05
Clean Communities Program - 2022				44,996.48	5,776.04	39,220.44
Body Armor Replacement Fund	373.11		373.11	1,916.21	2,125.20	164.12
Body Worn Camera Grant		89,672.00	89,672.00		89,672.00	
Municipal Stormwater	1,313.97		1,313.97			1,313.97
	<u>\$ 319,345.97</u>	<u>\$ 123,354.02</u>	<u>\$ 442,699.99</u>	<u>\$ 140,930.09</u>	<u>\$ 248,948.97</u>	<u>\$ 334,681.11</u>
REF. A				A-3		A
Balance						
Transferred from Encumbrances Payable			\$ 319,345.97			
			<u>123,354.02</u>			
			<u>\$ 442,699.99</u>			
Cash Disbursements					\$ 239,921.58	
Encumbrances Payable					<u>9,027.39</u>	
					<u>\$ 248,948.97</u>	

BOROUGH OF TINTON FALLS

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>RECEIPTS</u>	<u>APPLIED TO</u> <u>REVENUES</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
American Rescue Plan Grant	\$ 913,285.47	\$ 913,285.48	\$ 608,857.00	\$ 1,217,713.95
Body Armor Grant		2,809.84		2,809.84
National Opioid Settlement		18,117.01		18,117.01
	<u>\$ 913,285.47</u>	<u>\$ 934,212.33</u>	<u>\$ 608,857.00</u>	<u>\$ 1,238,640.80</u>
<u>REF.</u>	A	A-4	A-4	A

"A-27"

BOROUGH OF TINTON FALLS

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	A-4	\$ <u>15,500.00</u>	\$ <u>15,500.00</u>
Transfer - Grant Match	A-28	\$ <u><u>15,500.00</u></u>	\$ <u><u>15,500.00</u></u>

"A-28"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>
Transfer - Grant Match	A-27	\$ <u>15,500.00</u>	\$ <u>15,500.00</u>
Treasurer-Disbursements	A-4	\$ <u><u>15,500.00</u></u>	\$ <u><u>15,500.00</u></u>

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF CASH

	REF.	ANIMAL CONTROL	OPEN SPACE	OTHER
Balance, December 31, 2021	B	\$ 9,076.94	\$ 433,776.04	\$ 4,442,415.41
Increased by Receipts:				
Animal Control Fees	B-2	\$ 34,532.60		\$
State Registration Fees	B-3	1,056.00		
Reserve for:				
Open Space Trust	B-4		976,838.44	
Various Reserves and Deposits	B-5			4,143,663.59
		<u>35,588.60</u>	<u>976,838.44</u>	<u>4,143,663.59</u>
		\$ 44,665.54	\$ 1,410,614.48	\$ 8,586,079.00
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11	B-2	\$ 33,785.70		\$
State Registration Fees	B-3	1,056.00		
Open Space Trust	B-4		1,124,303.72	
Various Reserves and Deposits	B-5			3,155,616.53
		<u>34,841.70</u>	<u>1,124,303.72</u>	<u>3,155,616.53</u>
Balance, December 31, 2022	B	\$ 9,823.84	\$ 286,310.76	\$ 5,430,462.47

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	3,825.09
Increased by:			
Cash Receipts:			
Dog Licenses		\$	7,532.60
Current Fund Budget Approp			<u>27,000.00</u>
	B-1	\$	<u>34,532.60</u>
Prepaid Licenses Applied			20.00
Transferred from Encumbrances Payable	B-6		<u>5,231.85</u>
			<u>39,784.45</u>
		\$	<u>43,609.54</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1	\$	33,785.70
Transferred to Encumbrances Payable	B-6		<u>5,975.00</u>
			<u>39,760.70</u>
Balance, December 31, 2022	B	\$	<u><u>3,848.84</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$ 7,748.00
2021	<u>6,652.80</u>
	<u>\$ 14,400.80</u>



BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF STATE REGISTRATION FEES  
ANIMAL CONTROL FUND

REF.

Increased by:  
Cash Receipts

B-1	\$	<u>1,056.00</u>	
			<u>1,056.00</u>
	\$		<u>1,056.00</u>

Decreased by:  
Cash Disbursements

B-1	\$	<u>1,056.00</u>	
	\$		<u><u>1,056.00</u></u>

BOROUGH OF TINTON FALLS

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	111,171.14
Increased by:			
Open Space Tax Levy		\$	963,208.00
Open Space - Added/Omitted			7,187.23
Interest			<u>6,443.21</u>
	B-1	\$	976,838.44
Transferred from Encumbrances Payable	B-6		<u>449,604.90</u>
			<u>1,426,443.34</u>
		\$	<u>1,537,614.48</u>
Decreased by:			
Cash Disbursements	B-1	\$	1,124,303.72
Transferred to Encumbrances Payable	B-6		<u>207,590.87</u>
			<u>1,331,894.59</u>
Balance, December 31, 2022	B	\$	<u><u>205,719.89</u></u>

"B-5"

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF VARIOUS RESERVES

	BALANCE DECEMBER 31, 2021	MODIFIED	CASH RECEIPTS	EXPENDITURES	BALANCE DECEMBER 31, 2022
Street Openings	\$ 9,150.00	\$ 9,150.00	\$ 2,110.00	\$ 9,150.00	\$ 2,110.00
Professional Fees	6,883.58	6,883.58			6,883.58
Tax Sale Premiums	257,800.00	259,400.00	252,700.00	197,200.00	314,900.00
Detention Basin	67,223.40	67,223.40			67,223.40
Off Duty	27,259.56	27,259.56	761,714.35	683,196.11	105,777.80
Recycling	29,049.64	31,569.22	46,337.83	43,399.53	34,507.52
Parking Offenses Adjudication Act	370.12	370.12	12.00		382.12
DARE Program	1,744.63	1,744.63			1,744.63
Emergency Management	1,855.71	1,855.71			1,855.71
Public Defender	14,487.10	14,487.10	1,520.00	300.00	15,707.10
Alcohol Alliance	1,520.85	1,520.85	18,117.01	18,117.01	1,520.85
Recreation	11,799.47	11,799.47			11,799.47
Police Forfeiture	90,872.06	99,307.06	28,162.50	95,189.13	32,280.43
Seabrook CCO and Fire Inspection	69,506.00	69,506.00			69,506.00
Uniform Fire Safety Penalty Funds	133.79	4,133.79		4,000.00	133.79
Uniform Fire Safety Dedicated and Comp Penalties	20,695.23	20,695.23			20,695.23
Accumulated Absences	44,610.28	44,610.28	290,000.00	331,390.56	3,219.72
Volunteer Appreciation Day	30.00	30.00			30.00
Historic Crawford House	200.00	200.00			200.00
Community Day	2,362.23	2,362.23	38,200.00	32,631.37	7,930.86
Police Youth Program Donations	9,941.59	9,941.59	12,282.36	13,365.49	8,858.46
Health Fair Donations	765.89	765.89			765.89
Developers Escrow:					
Engineering Fees	501,707.63	501,707.63	307,082.52	221,280.34	587,519.81
Maintenance Fees	45,093.28	45,093.28	8,487.16		53,580.44
Performance Fees	967,462.78	967,462.78	11,248.24	51,126.29	927,584.73
Escrow Fees	335,758.50	336,413.50	483,218.10	263,822.11	555,809.49
Shaffo Rd. Sewer Line Extension	3,206.86	3,206.86	12.78		3,219.64
COAH Special Master	48,394.69	49,632.19	74.24	21,853.75	27,852.68
Self-Insurance	152,712.49	157,927.25	839,079.33	875,176.48	121,830.10
Law Enforcement	22,083.44	22,083.44	22,853.43	35,293.20	9,643.67
Tax Title Liens	11,575.78	14,303.64	93,200.14	97,261.71	10,242.07
Unemployment	160,582.56	160,582.56	55,921.72	95,085.53	121,418.75
Affordable Housing	1,327,767.75	1,499,186.57	871,319.88	253,979.81	2,116,526.64
	\$ 4,244,606.89	\$ 4,442,415.41	\$ 4,143,663.59	\$ 3,342,818.42	\$ 5,243,260.58

REF.

B

B-1

B

Balance, December 31, 2021  
Transferred from Encumbrances Payable

\$ 4,244,606.89  
197,808.52

\$ 3,155,616.53  
187,201.89

Cash Disbursements  
Transferred to Encumbrances Payable

B-1  
B-6

\$ 4,442,415.41

\$ 3,342,818.42

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	OPEN SPACE TRUST FUND
Balance, December 31, 2021	B	\$ 5,231.85 \$	197,808.52 \$	449,604.90
Increased by:				
Transferred from Various Trust Reserves	B-2:B-4:B-5	<u>5,975.00</u>	<u>187,201.89</u>	<u>207,590.87</u>
		5,975.00	187,201.89	207,590.87
Decreased by:				
Transferred to Various Trust Reserves	B-2:B-4:B-5	<u>5,231.85</u>	<u>197,808.52</u>	<u>449,604.90</u>
		5,231.85	197,808.52	449,604.90
Balance, December 31, 2022	B	<u>\$ 5,975.00 \$</u>	<u>187,201.89 \$</u>	<u>207,590.87</u>

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF OPEN SPACE GRANT RECEIVABLE (COUNTY)

REF.

Balance, December 31, 2021 and  
December 31, 2022

B

\$ 127,000.00

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	2,908,342.33
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-10	\$	160,000.00
Grants Receivable	C-6		534,170.43
Bond Anticipation Notes	C-8		9,952,000.00
Various Reserves	C-12		<u>262,007.57</u>
			<u>10,908,178.00</u>
		\$	<u>13,816,520.33</u>
Decreased by Disbursements:			
Contracts Payable	C-11	\$	4,663,490.39
Bond Anticipation Notes	C-8		<u>7,952,000.00</u>
			<u>12,615,490.39</u>
Balance, December 31, 2022	C	\$	<u><u>1,201,029.94</u></u>

"C-3"

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS

BALANCE  
DECEMBER  
31, 2022

Fund Balance	\$ 23,904.75
Contracts Payable	405,757.09
Various Reserves	470,265.99
Capital Improvement Fund	169,163.00
Grants Receivable	(361,700.00)
Unexpended Proceeds of Bond Anticipation Note - Listed on "C-5"	43,639.11
Improvement Authorizations Funded - Listed on Exhibit "C-9"	<u>450,000.00</u>
	<u>\$ 1,201,029.94</u>

REF.

C

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 8,440,000.00
Decreased by:		
Budget Appropriation to Pay Bonds	C-7	<u>1,245,000.00</u>
Balance, December 31, 2022	C	<u><u>\$ 7,195,000.00</u></u>



BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021	DECREASED BY NOTES PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2022	ANALYSIS OF BALANCE DECEMBER 31, 2022	
					BOND ANTICIPATION NOTE	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
	General Improvements:					
11-1329	Acquisition of Real Property	\$ 600,000.00	\$ 400,000.00	\$ 200,000.00	\$ 200,000.00	\$
16-1399/16/1405	Various Capital Improvements	1,115,000.00	200,000.00	915,000.00	915,000.00	
18-1430	2018 Road Improvement Program	2,115,000.00	200,000.00	1,915,000.00	1,915,000.00	
19-1451	2019 Road Improvement Program	2,225,000.00	25,000.00	2,200,000.00	2,200,000.00	
20-1462/21-1478	Park Development and Improvements	2,722,000.00		2,722,000.00	2,722,000.00	
2021-1477/2022-1488	2021-2022 Road Improvement Program	2,200,000.00		2,200,000.00	2,000,000.00	200,000.00
		<u>\$ 10,977,000.00</u>	<u>\$ 825,000.00</u>	<u>\$ 10,152,000.00</u>	<u>\$ 9,952,000.00</u>	<u>\$ 200,000.00</u>
	REF.	C	C-8	C	C-8	
	Improvement Authorizations Unfunded					\$ 243,639.11
	Less: Unexpended Proceed of Bond					43,639.11
	Anticipation Note					<u>\$ 200,000.00</u>

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

ORD. #	PROJECT	SOURCE	BALANCE 12/31/21	ACCRUED	RECEIVED	BALANCE 12/31/22
19-1451	2019 Road Improvement Program	NJDOT	\$ 100,320.43		100,320.43	\$
20-1462	Park Redevelopment & Improvements	MC Open Space	200,000.00		200,000.00	
21-1477	2021-2022 Road Improvement Program	NJDOT	66,250.00		66,250.00	
22-1488	2022 Road Improvement Program	NJDOT		311,800.00	167,600.00	144,200.00
22-1496	NJ Library Construction Bond Act Grant	NJ Library		217,500.00		217,500.00
			<u>\$ 366,570.43</u>	<u>\$ 529,300.00</u>	<u>\$ 534,170.43</u>	<u>\$ 361,700.00</u>
		REF.	C	C-9	C-2	C

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2022			INTEREST RATE	BALANCE DECEMBER 31, 2021	DECREASED	BALANCE DECEMBER 31, 2022
			DATE	AMOUNT					
MCIA General Improvement Bonds	12/19/2012	\$ 1,460,000.00	12/1/2023	\$ 115,000.00	4.00%	\$			\$
			12/1/2024	120,000.00	2.00%				
			12/1/2025	125,000.00	3.00%				
			12/1/2026	125,000.00	2.00%		595,000.00	110,000.00	485,000.00
MCIA General Improvement Bonds	12/10/2013	1,485,000.00					195,000.00	195,000.00	
MCIA General Improvement Bonds	12/24/2014	2,200,000.00	12/1/2023	225,000.00	5.00%				
			12/1/2024	225,000.00	5.00%		670,000.00	220,000.00	450,000.00
Refunding Bonds (2008)	5/18/2016	5,175,000.00	1/1/2023	450,000.00	4.00%				
			1/1/2024	470,000.00	4.00%				
			1/1/2025	490,000.00	4.00%				
			1/1/2026	515,000.00	4.00%				
			1/1/2027	535,000.00	4.00%				
			1/1/2028	545,000.00	4.00%				
			1/1/2029	540,000.00	3.25%		3,975,000.00	430,000.00	3,545,000.00
General Obligation Refunding Bonds	8/25/2020	2,865,000.00	1/1/2023	250,000.00	4.00%				
			1/1/2024	245,000.00	4.00%				
			1/1/2025	245,000.00	4.00%				
			1/1/2026	240,000.00	4.00%				
			1/1/2027	235,000.00	4.00%				
			1/1/2028	230,000.00	4.00%				
			1/1/2029	230,000.00	4.00%				
			1/1/2030	225,000.00	4.00%				
			1/1/2031	225,000.00	4.00%				
			1/1/2032	215,000.00	4.00%		2,590,000.00	250,000.00	2,340,000.00

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2021	DECREASED	BALANCE DECEMBER 31, 2022
			DATE	AMOUNT				
Open Space Refunding Bonds (2010)	8/25/2020	\$ 455,000.00	1/1/2023	\$ 40,000.00	4.00%	\$	\$	
			1/1/2024	40,000.00	4.00%			
			1/1/2025	40,000.00	4.00%			
			1/1/2026	40,000.00	4.00%			
			1/1/2027	40,000.00	4.00%			
			1/1/2028	35,000.00	4.00%			
			1/1/2029	35,000.00	4.00%			
			1/1/2030	35,000.00	4.00%			
			1/1/2031	35,000.00	4.00%			
			1/1/2032	35,000.00	4.00%	415,000.00	40,000.00	375,000.00
						\$ 8,440,000.00	\$ 1,245,000.00	\$ 7,195,000.00
					REF.	C	C-4	C

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2022</u>
11-1329	Acquisition of Real Property	12/13/13	10/28/21 10/26/22	10/27/22 1/26/23	1.25% 2.50%	\$ 600,000.00	\$ 200,000.00	\$ 600,000.00	\$ 200,000.00
16-1399/16-1405	Various Capital Improvements	12/01/16	10/28/21 10/26/22	10/27/22 1/26/23	1.25% 2.50%	1,115,000.00	915,000.00	1,115,000.00	915,000.00
18-1430	2018 Road Program	10/31/18	10/28/21 10/26/22	10/27/22 1/26/23	1.25% 2.50%	2,115,000.00	1,915,000.00	2,115,000.00	1,915,000.00
19-1451	2019 Road Program	10/29/20	10/28/21 10/26/22	10/27/22 1/26/23	1.25% 2.50%	2,225,000.00	2,200,000.00	2,225,000.00	2,200,000.00
20-1462/21-1478	Park Redevelopment & Improvements	10/29/20	10/28/21 10/26/22	10/27/22 1/26/23	1.25% 2.50%	2,722,000.00	770,000.00	2,722,000.00	770,000.00
20-1462/21-1478	Park Redevelopment & Improvements	10/26/22	10/26/22	10/26/23	3.55%	1,952,000.00	1,952,000.00		1,952,000.00
20-1477/22-1488	2021-2022 Road Program	10/26/22	10/26/22	10/26/23	3.55%		2,000,000.00		2,000,000.00
						<u>\$ 8,777,000.00</u>	<u>\$ 9,952,000.00</u>	<u>\$ 8,777,000.00</u>	<u>\$ 9,952,000.00</u>
					<u>REF.</u>	<u>C</u>	<u>C-2</u>		<u>C:C-5</u>
								\$ 825,000.00	
								<u>7,952,000.00</u>	
								<u>\$ 8,777,000.00</u>	

Paid by Budget Appropriation  
Cash Disbursements

**BOROUGH OF TINTON FALLS**  
**GENERAL CAPITAL FUND**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATIONS	(Net) CONTRACTS PAYABLE	CANCELED	BALANCE DECEMBER 31, 2022	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
09-1286	Various Items of Equipment	12/1/2009	\$ 1,085,000.00	\$	\$	\$	(176.73)	\$ 183.26	\$	\$
14-1377	2014 Various Capital Improvements	8/5/2014	832,500.00	8,853.85			-	8,853.85		
16-1399/16-1405	Various Capital Improvements	5/15/2018	2,791,800.00		76,936.26		(28,668.35)	28,668.35		
18-1430	2018 Road Improvement Program	9/17/2019	2,700,000.00		179,489.28		76,936.26			
19-1451	2019 Road Improvement Program	4/7/2020	4,000,000.00				179,489.28			
20-1458	2020 Refunding Bond Ordinance	7/13/2021	4,130,000.00		13,844.96		-			
20-1462/21-1478	Park Development & Improvements	9/9/2021	2,600,000.00		1,901,994.79	311,800.00	(658.21)			14,503.17
21-1477	2021-2022 Road Improvement Program	10/25/2022	485,000.00			485,000.00	1,984,658.85		450,000.00	229,135.94
22-1496	Improvements to Borough Library						45,000.00			
				<u>\$ 8,860.38</u>	<u>\$ 2,172,265.29</u>	<u>\$ 806,800.00</u>	<u>\$ 2,256,581.10</u>	<u>\$ 37,705.46</u>	<u>\$ 450,000.00</u>	<u>\$ 243,639.11</u>
				C	C		C-11	C-12	C-C-3	C-C-5
	Library Reserve	REF.								
	Capital Surplus	C-12			\$	217,500.00				
	Grants Receivable	C-1			60,000.00					
		C-6			529,300.00					
					<u>\$ 806,800.00</u>					

"C-10"

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	9,163.00
Increased by:			
Cash Receipts	C-2	\$ <u>160,000.00</u>	<u>160,000.00</u>
Balance, December 31, 2022	C	\$	<u><u>169,163.00</u></u>

"C-11"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2021	C	\$	2,812,666.38
Increased by:			
Improvement Authorizations	C-9	\$ <u>2,256,581.10</u>	<u>2,256,581.10</u>
		\$	<u>5,069,247.48</u>
Decreased by:			
Cash Disbursements	C-2		<u>4,663,490.39</u>
Balance, December 31, 2022	C	\$	<u><u>405,757.09</u></u>

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

	BALANCE DECEMBER 31, 2021	INCREASED	DECREASED	BALANCE DECEMBER 31, 2022
Sidewalk Contributions	\$ 34,776.00	\$ 79,828.00	\$	114,604.00
Calton Homes/Stormwater	15,000.00			15,000.00
Sitar Off Tract	37,000.00			37,000.00
Fox Chase II/Rec	75,000.00			75,000.00
Matzel and Muford - RCA	18,004.16		217,500.00	18,004.16
Library Improvements	150,000.00	67,500.00		181,989.48
Debt Service	58,272.80	123,716.68		28,668.35
Debt Service		28,668.35		
	<u>\$ 388,052.96</u>	<u>\$ 299,713.03</u>	<u>\$ 217,500.00</u>	<u>\$ 470,265.99</u>
REF.	C		C-9	C
Cash Receipts	\$	262,007.57		
Canceled Ordinances		<u>37,705.46</u>		
	\$	<u>299,713.03</u>		



BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED  
BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>DECREASED BY: NOTES ISSUED</u>	<u>BALANCE DECEMBER 31, 2022</u>
21-1477	2021-2022 Road Improvement Program	\$ 2,200,000.00 \$	2,000,000.00 \$	200,000.00
		\$ 2,200,000.00 \$	2,000,000.00 \$	200,000.00
	<u>REF.</u>	C		C

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>		<u>OPERATING</u>	<u>CAPITAL</u>
D	Balance, December 31, 2021	\$ 4,573,447.09	\$ 4,678.64
	Increased by Receipts:		
D-7	Sewer Rents Receivable	3,525,031.60	
D-3	Miscellaneous	524,078.50	
D-12	Overpayments	5,108.25	
D-8	Prepaid Rents	33,911.45	
		<u>4,088,129.80</u>	<u>4,678.64</u>
		8,661,576.89	
	Decreased by Disbursements:		
D-4	Appropriations	4,164,700.53	
D-9	Appropriation Reserves	471,769.35	
D-11	Accounts Payable	400.50	
D-12	Refund of Sewer Overpayments	5,264.92	
D	Investments	3,000,000.00	
		<u>7,642,135.30</u>	
D	Balance, December 31, 2022	\$ <u>1,019,441.59</u>	\$ <u>4,678.64</u>

"D-6"

BOROUGH OF TINTON FALLS

SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH

BALANCE  
DECEMBER 31,  
2022

Fund Balance

\$ 4,678.64

\$ 4,678.64

REF.

D

"D-7"

BOROUGH OF TINTON FALLS

SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	134,096.80
Increased by:			
Sewer Rents Levied			<u>4,176,464.88</u>
		\$	4,310,561.68
Decreased by:			
Collections	D-5	\$	3,525,031.60
Rents Applied	D-8		623,864.97
Cancelled			<u>55.57</u>
			<u>4,148,952.14</u>
Balance, December 31, 2022	D	\$	<u><u>161,609.54</u></u>

"D-8"

SCHEDULE OF PREPAID SEWER RENTS

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	623,864.97
Increased by:			
Cash Receipts	D-5		<u>33,911.45</u>
			657,776.42
Decreased by:			
Rents Applied	D-7		<u>623,864.97</u>
Balance, December 31, 2022	D	\$	<u><u>33,911.45</u></u>

BOROUGH OF TINTON FALLS

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

		BALANCE DECEMBER 31, 2021	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages		\$ 26,427.40	\$ 26,427.40	\$ 3,211.12	\$ 23,216.28
Other Expenses		502,723.67	578,737.87	68,612.00	510,125.87
Capital Improvements:					
Capital Outlay		137,593.00	608,671.40	471,078.40	137,593.00
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)		<u>3,549.68</u>	<u>3,549.68</u>	<u>245.65</u>	<u>3,304.03</u>
		<u>\$ 670,293.75</u>	<u>\$ 1,217,386.35</u>	<u>\$ 543,147.17</u>	<u>\$ 674,239.18</u>
	<u>REF.</u>	D			D-1
Balance, December 31, 2021	D-9		\$ 670,293.75		
Transferred from Encumbrances Payable	D-10		<u>547,092.60</u>		
			<u>\$ 1,217,386.35</u>		
Cash Disbursements	D-5			\$ 471,769.35	
Transferred to Accounts Payable	D-11			<u>71,377.82</u>	
				<u>\$ 543,147.17</u>	

"D-10"

BOROUGH OF TINTON FALLS  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	547,092.60
Increased by:			
Charges to 2022 Budget Appropriations	D-4	\$	<u>220,423.85</u>
			767,516.45
Decreased by:			
Canceled	E-1		
Transferred to Appropriation Reserves	D-9		<u>547,092.60</u>
Balance, December 31, 2022	D	\$	<u><u>220,423.85</u></u>

"D-11"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2021	D	\$	20,657.50
Increased by:			
Transferred from Appropriation Reserves	D-9		<u>71,377.82</u>
			92,035.32
Decreased by:			
Cash Disbursements	D-5	\$	<u>400.50</u>
			<u>400.50</u>
Balance, December 31, 2022	D	\$	<u><u>91,634.82</u></u>

BOROUGH OF TINTON FALLS  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER RENT OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	156.67
Increased by:			
Cash Receipts	D-5		<u>5,108.25</u>
		\$	<u>5,264.92</u>
Decreased by:			
Cash Disbursements	D-5	\$	<u>5,264.92</u>
		\$	<u><u>5,264.92</u></u>

BOROUGH OF TINTON FALLS

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>CAPITAL</u> <u>OUTLAY</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
Construction of System Interceptor & Collection System	\$ 7,895,324.05	\$	\$ 7,895,324.05
Installation of Sewer Mains	505,519.98		505,519.98
Squankum Pump Station	234,851.06		234,851.06
Wyncrest Pumo Station	1,303,957.34		1,303,957.34
Sewer Infrastructure Improvements	264,655.94		264,655.94
Pump Station Improvements	2,165,225.08	399,700.58	2,564,925.66
Sewer GIS Mapping	78,357.30	400.50	78,757.80
Sewer Jet Truck	408,670.68		408,670.68
General Equipment		30,584.52	30,584.52
	<u>\$ 12,856,561.43</u>	<u>\$ 430,685.60</u>	<u>\$ 13,287,247.03</u>
<u>REF.</u>	D	D-14	D



"D-14"

BOROUGH OF TINTON FALLS

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	12,856,561.43
Increased by:			
Capital Outlay	D-13	\$	<u>430,685.60</u>
			<u>430,685.60</u>
Balance, December 31, 2022	D	\$	<u><u>13,287,247.03</u></u>

PART II

BOROUGH OF TINTON FALLS

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 4,460,000.00	5.17%	\$ 3,950,000.00	4.56%
Miscellaneous-From Other Than Local				
Property Tax Levies	10,582,479.40	12.26%	10,549,327.88	12.18%
Collection of Delinquent Taxes and				
Tax Title Liens	522,112.43	0.61%	736,211.45	0.85%
Collection of Current Tax Levy	70,724,369.02	81.96%	71,399,520.79	82.41%
<u>TOTAL INCOME</u>	<u>\$ 86,288,960.85</u>	<u>100.00%</u>	<u>\$ 86,635,060.12</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 27,441,734.72	33.48%	\$ 26,404,982.72	32.46%
County Taxes	10,377,786.63	12.66%	10,709,315.69	13.17%
Regional School Taxes	14,355,706.00	17.51%	14,754,465.00	18.14%
Local School Taxes	26,489,661.00	32.31%	26,355,873.00	32.40%
Municipal Open Space Taxes	970,395.23	1.18%	839,316.27	1.03%
Fire District Taxes	2,259,452.00	2.76%	2,185,150.00	2.69%
Other	79,077.08	0.10%	88,017.67	0.11%
<u>TOTAL EXPENDITURES</u>	<u>\$ 81,973,812.66</u>	<u>100.00%</u>	<u>\$ 81,337,120.35</u>	<u>100.00%</u>
Excess in Revenue	\$ 4,315,148.19		\$ 5,297,939.77	
Fund Balance, January 1	9,440,347.15		8,092,407.38	
	\$ 13,755,495.34		\$ 13,390,347.15	
Less: Utilization as Anticipated Revenue	4,460,000.00		3,950,000.00	
Fund Balance, December 31	<u>\$ 9,295,495.34</u>		<u>\$ 9,440,347.15</u>	

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

	YEAR ENDED DECEMBER 31, 2022		YEAR ENDED DECEMBER 31, 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 835,500.00	13.51%	\$ 1,195,500.00	19.24%
Collection of Sewer Rents	4,148,896.57	67.10%	4,042,585.08	65.07%
Miscellaneous - Other Than Sewer Rents	1,198,317.68	19.38%	974,554.47	15.69%
<u>TOTAL INCOME</u>	<u>\$ 6,182,714.25</u>	<u>100.00%</u>	<u>\$ 6,212,639.55</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 4,210,000.00	88.91%	\$ 4,539,000.00	85.71%
Capital Improvements	380,000.00	8.02%	620,000.00	11.71%
Deferred Charges and Statutory Expenditures	145,500.00	3.07%	136,500.00	2.58%
<u>TOTAL EXPENDITURES</u>	<u>\$ 4,735,500.00</u>	<u>100.00%</u>	<u>\$ 5,295,500.00</u>	<u>100.00%</u>
Excess in Revenue	1,447,214.25		\$ 917,139.55	
Fund Balance, January 1	2,711,431.60		2,989,792.05	
	\$ 4,158,645.85		\$ 3,906,931.60	
Decreased by:				
Utilized as Anticipated Revenue	835,500.00		1,195,500.00	
Fund Balance, December 31	<u>\$ 3,323,145.85</u>		<u>\$ 2,711,431.60</u>	

### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>1.602</u>	<u>1.870</u>	<u>1.937</u>
Apportionment of Tax Rate:			
Municipal	0.407	0.463	0.487
County	0.241	0.287	0.288
Regional School	0.619	0.718	0.746
Regional High School	0.335	0.402	0.416

### ASSESSED VALUATIONS:

2022	<u>\$4,280,928,837.00</u>	
2021	<u>\$3,671,055,873.00</u>	
2020		<u>\$3,475,525,357.00</u>

### COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTION</u>	<u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2022	\$71,410,291.53	\$70,724,369.02	99.03%
2021	71,985,138.16	71,399,520.79	99.18%
2020	69,931,639.65	69,172,353.08	98.91%

### DELINQUENT TAXES AND TAX TITLE LIENS

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

<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	\$123,142.64	\$640,412.35	\$763,554.99	1.07%
2021	111,778.71	519,816.06	631,594.77	0.88%
2020	105,281.27	726,593.61	831,874.88	1.19%

### COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>	<u>PERCENTAGE OF FUND BALANCE USED</u>
Current Fund	2022	\$9,295,495.34	\$4,200,000.00	45.18%
	2021	9,440,347.15	4,460,000.00	47.24%
	2020	8,092,407.38	3,950,000.00	48.81%
	2019	8,171,553.01	3,625,000.00	44.36%
	2018	7,722,548.97	3,870,000.00	50.11%

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>	<u>PERCENTAGE OF FUND BALANCE USED</u>
Sewer Utility Operating Fund	2022	\$3,323,145.85	\$1,250,000.00	37.61%
	2021	2,711,431.60	835,500.00	30.81%
	2020	2,989,792.05	1,195,500.00	39.99%
	2019	2,297,018.96	907,200.00	39.49%
	2018	2,640,615.20	1,575,000.00	59.65%

### EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2022	\$4,599,502,527.00
2021	\$3,943,251,720.00
2020	\$3,806,685,636.00

## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>
Vito P. Perillo	Mayor
Tracy A. Buckley	Council President
Risa Clay	Deputy Council President
Michael J. Nesci	Councilperson
John A. Manginelli	Councilperson
Dr. Lawrence A. Dobrin	Councilperson
Charles W. Terefenko	Business Administrator (02/22/2022 – 12/31/2022)
Thomas P. Fallon	Business Administrator (01/01/2022 – 02/21/2022)
Thomas P. Fallon	Chief Financial Officer
Michelle Hutchinson	Borough Clerk (02/01/2022 – 12/31/2022)
Melissa A. Hesler	Borough Clerk (01/01/2022 – 01/31/2022)
Stacey Kitson	Court Administrator
Scott Imbriaco	Tax Assessor
Kevin N. Starkey, Esq	Borough Attorney

All of the bonds were examined and were properly executed.

A public employee dishonesty blanket bond covering municipal employees in the amount of \$50,000 was in effect with the Monmouth Municipal Joint Insurance Fund. There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000 for Public Employees and \$1,000,000 for Public Officials. Both of these bonds are subject to deductibles based upon other required coverages.

COMMENTS AND RECOMMENDATIONS



## GENERAL COMMENTS

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

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

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00.

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

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

Road Improvement Program  
Pump Station Upgrades

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

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

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

Auditor  
Engineering Services  
Architectural Services  
Labor Counsel  
Borough Attorney  
Legal Services  
Planning Services  
Appraisal Services  
Affordable Housing Administration Services

## COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body has adopted ordinance 91-763 authorizing interest to be charged on delinquent taxes and sewer charges:

### § 3-29 RATE OF INTEREST TO BE CHARGED ON DELINQUENCY TAXES OR ASSESSMENTS

a. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears after December 31, an additional penalty of 6% shall be charged against the delinquency, all such payments to be calculated from the date the tax, assessment or charge was payable until the date of actual payment. This shall apply to all existing tax sale certificates held by the Borough of Tinton Falls.

b. As to tax sale certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200. When the taxes, interest and costs shall exceed the sum of \$5,000, such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000, such additional sum shall be equal to 6% of such amount paid. This shall apply to all existing tax sale certificates held by the Borough of Tinton Falls.

c. No interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same became payable.

d. Should the date upon which any installment becomes due fall on a date which is a legal holiday or a date when the office of the Tax Collector is not open for business for the day, no interest shall be charged if payment for such installment is made on the first business day thereafter.

e. For the purpose of this section, "delinquency" means the sum of all taxes, assessments and municipal charges due on a given parcel of property covering any number of quarters or years.

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

## VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	<u>NUMBER</u>
Payments of 2022 Taxes	50
Payment of 2022 Sewer Charges	50

## TAX TITLE LIENS

The last tax sale was held on October 26, 2022 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2022	15
2021	16
2020	19

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.

## RECOMMENDATIONS

None

