

*Report of Audit*  
*on the*  
*Financial Statements*  
*of the*  
*Borough of Freehold*  
*in the*  
*County of Monmouth*  
*New Jersey*  
*for the*  
*Year Ended*  
*December 31, 2021*



BOROUGH OF FREEHOLD

I N D E X

PAGES

PART I

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

EXHIBITS

Financial Statements - Regulatory Basis

Current Fund:

Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2021	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2021	"A-3"

Trust Fund:

Balance Sheets - Regulatory Basis	"B"
-----------------------------------	-----

General Capital Fund:

Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	"C-1"

Water-Sewer Utility Fund:

Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"D-1"
Statement of Fund Balance - Regulatory Basis - Capital Fund	"D-2"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2021	"D-3"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2021	"D-4"

Parking Utility Fund:

Balance Sheets - Regulatory Basis	"E"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"E-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2021	"E-2"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2021	"E-3"

General Fixed Asset Account Group:

Balance Sheets - Regulatory Basis	"F"
-----------------------------------	-----

Notes to Financial Statements - Year Ended December 31, 2021	7-51
--	------

BOROUGH OF FREEHOLD

I N D E X (CONTINUED)

Supplementary Schedules - All Funds

EXHIBITS

Current Fund:

Schedule of Cash -Treasurer	"A-4"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-5"
Schedule of Tax Title Liens	"A-6"
Schedule of Property Acquired for Taxes (at Assessed Valuation)	"A-7"
Schedule of Revenue Accounts Receivable	"A-8"
Schedule of Due to/(from) State - P.L. 1971, C. 20	"A-9"
Schedule of Prepaid Licenses, Fees and Permits	"A-10"
Schedule of Various Reserves and Payables	"A-11"
Schedule of Interfunds - Other Funds	"A-12"
Schedule of Appropriation Reserves	"A-13"
Schedule of Reserve for Encumbrances	"A-14"
Schedule of Tax Overpayments	"A-15"
Schedule of Prepaid Taxes	"A-16"
Schedule of Special Improvement District Tax Payable	"A-17"
Schedule of Reserve for Tax Appeals	"A-18"
Schedule of County Taxes Payable	"A-19"
Schedule of Regional High School Taxes Payable	"A-20"
Schedule of Local District School Taxes Payable	"A-21"
Schedule of Due to State of New Jersey - Various	"A-22"
Schedule of Interfund – Federal and State Grant Fund	"A-23"
Schedule of Grants Receivable - Federal and State Grant Fund	"A-24"
Schedule of Appropriated Reserves - Federal and State Grant Fund	"A-25"
Schedule of Unappropriated Reserves - Federal and State Grant Fund	"A-26"

Trust Fund:

Schedule of Cash	"B-1"
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Trust Fund	"B-2"
Schedule of Due from/(to) State of New Jersey - Animal Control Trust Fund	"B-3"
Schedule of Interfund – Current Fund – Animal Control Trust Fund	"B-4"
Schedule of Various Reserves	"B-5"
Schedule of Unemployment Compensation Insurance	"B-6"
Schedule of Interfund – Current Fund – Trust Other Fund	"B-7"
Schedule of Payroll Deductions Payable	"B-8"

General Capital Fund:

Schedule of Cash and Cash Equivalents	"C-2"
Analysis of Cash and Cash Equivalents	"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 Sidewalk Improvements Receivable	"C-7"
Schedule of General Serial Bonds	"C-8"

BOROUGH OF FREEHOLD

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund (Continued)

Schedule of Bond Anticipation Notes	"C-9"
Schedule of Reserve for Encumbrances	"C-10"
Schedule of Improvement Authorizations	"C-11"
Schedule of Capital Improvement Fund	"C-12"
Schedule of Reserve for RCA Funds	"C-13"
Schedule of Reserve for Payment of Bonds	"C-14"
Schedule of Due Current Fund	"C-15"
Schedule of Bonds and Notes Authorized But Not Issued	"C-16"

Water-Sewer Utility Fund:

Schedule of Cash and Cash Equivalents	"D-5"
Schedule of Analysis of Cash - Capital Fund	"D-6"
Schedule of Consumer Accounts Receivable - Operating Fund	"D-7"
Schedule of Accounts Payable - Operating Fund	"D-8"
Schedule of Contracts Payable - Operating Fund	"D-9"
Schedule of Appropriation Reserves - Operating Fund	"D-10"
Schedule of Reserve for Encumbrances - Operating Fund	"D-11"
Schedule of Customer Overpayments - Operating Fund	"D-12"
Schedule of Accrued Interest Payable - Operating Fund	"D-13"
Schedule of Interfunds - Operating Fund	"D-14"
Schedule of Fixed Capital - Capital Fund	"D-15"
Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	"D-16"
Schedule of Serial Bonds - Capital Fund	"D-17"
Schedule of Bond Anticipation Notes - Capital Fund	"D-18"
Schedule of Reserve for Encumbrances - Capital Fund	"D-19"
Schedule of Improvement Authorizations - Capital Fund	"D-20"
Schedule of Capital Improvement Fund - Capital Fund	"D-21"
Schedule of Reserve for Amortization	"D-22"
Schedule of Deferred Reserve for Amortization - Capital Fund	"D-23"
Schedule of Reserve for Payment of Bonds	"D-24"

BOROUGH OF FREEHOLD  
I N D E X (CONTINUED)

EXHIBITS

Parking Utility Fund:

Schedule of Cash

"E-4"

Analysis of Cash – Capital Fund

"E-5"

General Fixed Assets Account Group:

Schedule of Investments in General Fixed Assets

"F-1"

PAGES

PART II

Statistical Data

52-57

Officials in Office and Surety Bonds

58

General Comments and Recommendations

59-63

BOROUGH OF FREEHOLD

PART I

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

REPORTS 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, 2021



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

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

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of Freehold  
County of Monmouth  
Freehold, New Jersey 07728

### ***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 Freehold (the "Borough"), as of and for the year ended December 31, 2021 and 2020, 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, 2021, 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, 2021 and 2020, 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, 2021.

#### **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, 2021 and 2020, 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, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (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 October 12, 2022 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.

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

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

October 12, 2022



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

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

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Freehold  
County of Monmouth  
Freehold, New Jersey 07728

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 Freehold, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated October 12, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Freehold prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the regulatory financial statements, we considered the Borough's control over financial reporting (internal control) as a basis for designing 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 Freehold's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

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

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

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

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

October 12, 2022

**THIS PAGE INTENTIONALLY LEFT BLANK**

CURRENT FUND

"A"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
Cash - Treasurer	A-4	\$ 10,121,750.86	\$ 8,206,514.53
Cash - Change Fund	A	900.00	
		<u>10,122,650.86</u>	<u>8,206,514.53</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	\$ 497,156.98	\$ 688,378.97
Tax Title Liens Receivable	A-6	22,507.93	17,185.99
Property Acquired for Taxes	A-7	756,300.00	756,300.00
Revenue Accounts Receivable	A-8	13,419.32	8,022.42
Interfunds Receivable - Other Funds	A-12	3,602.76	118.31
		<u>\$ 1,292,986.99</u>	<u>\$ 1,470,005.69</u>
		<u>\$ 11,415,637.85</u>	<u>\$ 9,676,520.22</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-23	\$ 906,018.52	\$ 144,864.37
Grants Receivable	A-24	182,098.02	172,040.02
		<u>\$ 1,088,116.54</u>	<u>\$ 316,904.39</u>
		<u>\$ 12,503,754.39</u>	<u>\$ 9,993,424.61</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	A-3/A-13	\$ 1,744,493.59	\$ 1,730,144.07
Due to State of New Jersey, Chap. 20 P.L. 1971	A-9	605.82	1,999.66
Prepaid Licenses, Fees and Permits	A-10	7,079.00	7,466.00
Various Reserves and Payables	A-11	209,909.42	297,779.84
Interfunds Payable	A-12	51,790.29	
Reserve for Encumbrances	A-14	812,509.66	573,074.19
Tax Overpayments	A-15		78,274.75
Prepaid Taxes	A-16	321,494.52	262,474.82
Reserve for Tax Appeals	A-18	696,657.81	723,515.73
County Taxes Payable	A-19	3,933.67	4,541.43
Regional High School Tax Payable	A-20	653,793.00	653,980.00
Due to State of New Jersey - Various	A-23	1,961.00	3,712.00
Interfund - Federal and State Fund	A-24	906,018.52	144,864.37
		<u>\$ 5,410,446.30</u>	<u>\$ 4,481,806.86</u>
Reserve for Receivables and Other Assets	A	1,292,986.99	1,470,005.69
Fund Balance	A-1	4,712,204.56	3,724,707.67
		<u>\$ 11,415,637.85</u>	<u>\$ 9,676,520.22</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-25	\$ 342,929.34	\$ 316,004.39
Reserve for Encumbrances	A-25	109,111.23	
Unappropriated Reserves	A-26	636,075.97	900.00
		<u>\$ 1,088,116.54</u>	<u>\$ 316,904.39</u>
		<u>\$ 12,503,754.39</u>	<u>\$ 9,993,424.61</u>

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



BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2021	YEAR ENDED DECEMBER 31, 2020
Revenue and Other Income Realized:			
Fund Balance Anticipated	A-2	\$ 1,815,000.00	\$ 1,715,000.00
Miscellaneous Revenue Anticipated	A-2	3,145,157.44	3,168,431.58
Receipts from Delinquent Taxes	A-2	687,020.84	567,866.78
Receipts from Current Taxes	A-2	29,638,356.40	28,744,901.98
Non-Budget Revenues	A-2	339,667.60	334,881.27
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,502,510.34	1,377,074.15
Various Reserves and Payables Cancelled	A-11	105,649.76	
Total Revenue		\$ 37,233,362.38	\$ 35,908,155.76
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	\$ 6,168,607.00	\$ 5,982,077.00
Other Expenses	A-3	5,544,728.00	5,470,508.00
Deferred Charges and Statutory Expenditures	A-3	1,523,151.00	1,394,799.03
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	305,964.00	257,510.00
Other Expenses	A-3	1,407,324.71	1,434,913.36
Capital Improvements	A-3	380,920.00	380,920.00
Municipal Debt Service	A-3	992,750.00	1,014,154.37
Deferred Charges	A-3		89,516.00
		\$ 16,323,444.71	\$ 16,024,397.76
Prior Year Senior Citizen Deduction Disallowed	A-9	\$ 1,750.00	\$ 1,750.00
Interfunds Advanced	A-12	3,484.45	
Refund Prior Year's Tax Revenue	A-15	451.54	6,218.23
Special Improvement District Tax	A-17	270,000.00	260,000.00
County Taxes	A-19	2,981,890.12	2,946,456.50
Amount Due County for Added and Omitted Taxes	A-19	3,933.67	4,541.43
Regional High School Tax	A-20	4,136,757.00	4,137,725.00
Local District School Tax	A-21	10,709,154.00	10,698,344.00
Total Expenditures		\$ 34,430,865.49	\$ 34,079,432.92
Statutory Excess to Fund Balance		2,802,496.89	1,826,722.84
Fund Balance January 1	A	3,724,707.67	3,610,984.83
		\$ 6,527,204.56	\$ 5,439,707.67
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	1,815,000.00	1,715,000.00
Fund Balance December 31	A	\$ 4,712,204.56	\$ 3,724,707.67

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	REF.	Budget	Anticipated Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 1,815,000.00	\$	\$ 1,815,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	\$ 20,000.00	\$	\$ 23,267.00	\$ 3,267.00
Other	A-2:A-8	26,137.00		33,557.50	7,420.50
Fees and Permits:					
Other	A-2:A-8	221,000.00		207,231.24	(13,768.76)
Fines and Costs:					
Municipal Court	A-8	100,000.00		215,941.52	115,941.52
Interest and Costs on Taxes	A-8	100,000.00		162,041.67	62,041.67
Parking Meters	A-8	10,000.00		15,186.00	5,186.00
Payment in Lieu of Taxes:					
Senior Citizens Housing Corp	A-8	220,000.00		306,420.00	86,420.00
Mechanic Street Urban	A-8	86,769.00		77,559.03	(9,209.97)
Rug Mill Families	A-8	110,000.00		111,279.00	1,279.00
Consolidated Municipal Property Tax Relief Aid	A-8	43,500.00		43,500.00	
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-8	1,207,416.00		1,207,416.00	
Uniform Construction Code Fees	A-8	200,000.00		204,135.00	4,135.00
Code Enforcement, Building Inspection					
Plan Review- Freehold Township	A-8	30,500.00		59,176.00	28,676.00
Special Improvement District - Downtown Freehold	A-8	25,768.00		25,778.87	10.87
Recycling Tonnage Grant	A-26	15,551.61		15,551.61	
Safe and Secure Communities Program	A-26	32,400.00		32,400.00	
NJDEP - Radon Kits	A-26	2,000.00		2,000.00	
Contribution from Private Source -					
Community Policing	A-26	900.00		900.00	
Body Armor Replacement Fund	A-26	2,280.10		2,280.10	
DCA Neighborhood Preservation Program	A-26		125,000.00	125,000.00	
ARPA - NJ Library Public Improvement					
Computer Project	A-26		9,058.00	9,058.00	
Uniform Fire Safety	A-8	35,650.00		37,028.15	378.15
Cable Television Franchise Fee	A-8	128,000.00		128,459.75	459.75
General Capital Fund Balance	A-8	100,000.00		100,000.00	
Total Miscellaneous Revenues	A-1	\$ 2,718,871.71	\$ 134,058.00	\$ 3,145,157.44	\$ 292,227.73
Receipts from Delinquent Taxes	A-1:A-2	\$ 643,000.00	\$	\$ 687,020.84	\$ 44,020.84
Amount to be Raised by Taxes for					
Support of Municipal Budget		\$ 11,625,341.75	\$	\$ 12,124,448.36	\$ 499,106.61
Minimum Library Tax		384,546.18		384,546.18	
Non-Budget Revenues	A-2	\$ 12,009,887.93	\$	\$ 12,508,994.54	\$ 499,106.61
	A-1:A-2			339,667.60	339,667.60
Total		\$ 17,186,759.64	\$ 134,058.00	\$ 18,495,840.42	\$ 1,175,022.78
	REF.	A-3	A-3		

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

<u>Analysis of Realized Revenues</u>	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$ 29,638,356.40
Allocated to School, County, and Special District Taxes	A-5	<u>18,101,734.79</u>
Balance for Support of Municipal Budget Appropriations		11,536,621.61
Add:		
Reserve for Uncollected Taxes	A-3	<u>972,372.93</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,508,994.54</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-5	<u>\$ 687,020.84</u>
	A-2	<u>\$ 687,020.84</u>
Analysis of Non-Budget Revenues:		
Police Adm OT		\$ 17,861.55
Lease - Ct Jester		3,000.00
Interest on Investments and Deposits		27,415.95
Borough Charge		1,612.28
Cost of Sales - Annual Tax Sale		2,629.17
Admin Cost - Senior/Vet		850.00
Lease - Metropolitan		6,000.00
Refund Prior Year Expenditure - Other		15,004.32
Cares Act Reimbursement of Prior Year Expenditures		230,764.37
Lease - Ocean First Bank		5,000.00
LOSAP Forfeiture		6,127.27
Colts Neck Court Interlocal		9,000.00
Distracted Driving Grant		6,000.00
Click It or Ticket Grant		2,700.00
Miscellaneous		<u>5,702.69</u>
	A-2:	<u>\$ 339,667.60</u>
Analysis:		
Cash Receipts	A-4	\$ 339,575.04
Interfunds Receivable	A-12	<u>92.56</u>
		<u>\$ 339,667.60</u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within CAPS</u>					
General Government:					
Office of Business Administrator:					
Salaries and Wages	\$ 174,000.00	\$ 193,000.00	\$ 167,620.69	\$ 25,379.31	\$
Other Expenses	188,000.00	169,000.00	131,303.52	37,696.48	
Mayor and Council:					
Salaries and Wages	52,850.00	52,850.00	51,436.00	1,414.00	
Other Expenses	6,000.00	6,000.00	3,280.34	2,719.66	
Administrative and Executive (Clerk's Office):					
Salaries and Wages	126,155.00	126,155.00	124,637.75	1,517.25	
Other Expenses	26,850.00	26,850.00	15,684.51	11,165.49	
Financial Administration					
Salaries and Wages	134,880.00	134,880.00	113,992.42	20,887.58	
Other Expenses	55,500.00	55,500.00	41,804.69	13,695.31	
Audit Services					
Other Expenses	23,900.00	23,900.00	22,900.00	1,000.00	
Central Functions:					
Other Expenses	25,000.00	25,000.00	23,873.09	1,126.91	
Collection of Taxes:					
Salaries and Wages	73,450.00	73,450.00	67,360.29	6,089.71	
Other Expenses	6,500.00	6,500.00	2,709.03	3,790.97	
Assessment of Taxes:					
Salaries and Wages	75,710.00	75,710.00	75,076.38	633.62	
Other Expenses	35,000.00	35,000.00	6,755.18	28,244.82	
Legal Services and Costs:					
Other Expenses	160,000.00	195,000.00	134,884.50	60,115.50	
Engineering Services and Costs:					
Other Expenses	52,200.00	52,200.00	48,611.63	3,588.37	
Land Use Administration:					
Planning/ Zoning Board					
Salaries and Wages	3,600.00	3,600.00	2,250.00	1,350.00	
Other Expenses	15,000.00	15,000.00	13,538.14	1,461.86	

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Historic Preservation Committee:					
Historic Preservation:					
Salaries and Wages	\$ 4,000.00	\$ 4,000.00	\$ 3,900.00	\$ 100.00	\$
Code Enforcement:					
Code Enforcement Office					
Salaries and Wages	182,580.00	182,580.00	176,866.36	5,713.64	
Other Expenses	49,800.00	49,800.00	8,211.47	41,588.53	
Insurance:					
Other Insurance Premiums	153,400.00	153,400.00	133,768.45	19,631.55	
Group Insurance plan for employees	1,775,153.00	1,725,153.00	1,488,506.78	236,646.22	
Workers Compensation	194,200.00	194,200.00	175,842.38	18,357.62	
Payment in Lieu of Group Insurance Plan	40,000.00	40,000.00	29,325.32	10,674.68	
Public Safety:					
Police					
Salaries and Wages	4,020,840.00	4,020,840.00	3,791,920.08	228,919.92	
Other Expenses	255,140.00	255,140.00	232,991.56	22,148.44	
Office of Emergency Management:					
Salaries and Wages	8,500.00	8,500.00	7,500.00	1,000.00	
Other Expenses	5,000.00	5,000.00		5,000.00	
Aid to Volunteer Fire Companies					
Other Expenses	9,000.00	9,000.00	9,000.00		
Fire:					
Salaries and Wages	48,750.00	48,750.00	48,530.86	219.14	
Other Expenses	156,305.00	156,305.00	139,739.65	16,565.35	
Bureau of Uniform Fire Safety:					
Fire Prevention:					
Salaries and Wages	68,760.00	68,760.00	59,367.44	9,392.56	
Other Expenses	24,400.00	24,400.00	1,415.15	22,984.85	
Municipal Prosecutor:					
Salaries and Wages	32,000.00	32,000.00	26,830.08	5,169.92	

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC WORKS:					
Road Repair and Maintenance:					
Salaries and Wages	\$ 698,700.00	\$ 654,200.00	\$ 528,284.85	\$ 125,915.15	\$
Other Expenses	106,000.00	106,000.00	63,250.81	42,749.19	
Public Parking Lots:					
Other Expenses	10,000.00	10,000.00	7,261.51	2,738.49	
Shade Tree Commission:					
Other Expenses	76,000.00	114,500.00	109,629.62	4,870.38	
Refuse Collection:					
Salaries and Wages	17,952.00	17,952.00	17,952.00		
Other Expenses	466,000.00	466,000.00	462,150.00	3,850.00	
Public Buildings and Grounds:					
Other Expenses	233,000.00	233,000.00	184,561.28	48,438.72	
Vehicle Maintenance:					
Other Expenses	30,000.00	50,000.00	31,037.73	18,962.27	
Condo Reimbursement (Ch. 299 P.L. 1988):					
Other Expenses	83,130.00	83,130.00	63,751.15	19,378.85	
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries and Wages	9,500.00	9,500.00	7,700.16	1,799.84	
Other Expenses	4,450.00	4,450.00	230.37	4,219.63	
Court Street School Educational Community Center, Inc.					
Other Expenses - Contractual	5,000.00	5,000.00	5,000.00		
Senior Citizens Program:					
Other Expenses	5,200.00	5,200.00		5,200.00	
PARKS AND RECREATION:					
Recreation Services and Programs:					
Salaries and Wages	4,500.00	4,500.00	3,491.74	1,008.26	
Other Expenses	75,000.00	61,000.00	40,000.00	21,000.00	
Maintenance of Parks:					
Other Expenses	16,000.00	16,000.00	10,273.30	5,726.70	

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	\$ 90,000.00	\$ 80,000.00	\$ 52,152.55	\$ 27,847.45	\$
Street Lighting	168,000.00	153,000.00	101,356.21	51,643.79	
Telephone	71,000.00	71,000.00	57,015.80	13,984.20	
Natural Gas	23,000.00	23,000.00	16,940.16	6,059.84	
Gasoline	100,000.00	90,000.00	54,077.48	35,922.52	
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Other Expenses	610,000.00	670,000.00	568,718.88	101,281.12	
Municipal Court:					
Salaries and Wages	290,300.00	280,300.00	249,114.51	31,185.49	
Other Expenses	45,000.00	45,000.00	34,718.29	10,281.71	
State Uniform Construction Code					
Construction Official					
Salaries and Wages	175,080.00	175,080.00	165,392.41	9,687.59	
Other Expenses	15,100.00	15,100.00	2,927.14	12,172.86	
UNCLASSIFIED:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	9,000.00	9,000.00	9,000.00		
Contribution to Accumulated Absences Fund	2,000.00	2,000.00		2,000.00	
Salary Adjustments/Seasonal Employment	10,000.00	10,000.00		10,000.00	
	\$ 11,711,335.00	\$ 11,711,335.00	\$ 10,227,421.69	\$ 1,483,913.31	\$
CONTINGENT	2,000.00	2,000.00		2,000.00	
Total Operations Within "CAPS"	\$ 11,713,335.00	\$ 11,713,335.00	\$ 10,227,421.69	\$ 1,485,913.31	\$
Deferred Charges and Statutory Expenditures Within "CAPS"					
Deferred Charges:					
Deficit Parking Utility Budget	\$ 25,000.00	25,000.00	\$	\$	\$ 25,000.00
STATUTORY EXPENDITURES:					
Public Employees Retirement System	266,036.00	266,036.00	266,036.00		
Social Security System (O.A.S.I.)	260,000.00	260,000.00	218,310.20	41,689.80	
Police and Firemen's Retirement System of NJ	372,115.00	972,115.00	972,115.00		
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	19,000.00	19,000.00		19,000.00	
Defined Contribution Retirement Program (DCRP)	6,000.00	6,000.00	1,352.24	4,647.76	
TOTAL DEFERRED CHARGES AND STATUTORY					
EXPENDITURES WITHIN "CAPS"	\$ 1,548,151.00	\$ 1,548,151.00	\$ 1,457,813.44	\$ 65,337.56	\$ 25,000.00

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 13,261,486.00	\$ 13,261,486.00	\$ 11,685,235.13	\$ 1,551,250.87	\$ 25,000.00
<u>OPERATIONS- EXCLUDED FROM "CAPS":</u>					
Maintenance of Free Public Library	\$ 387,400.00	\$ 387,400.00	\$ 299,017.16	\$ 88,382.84	\$
Business Personal Property Adjustment:					
Due to Local School District	73,630.00	73,630.00	73,630.00		
Due to Regional School District	28,478.00	28,478.00	28,478.00		
Contribution to:					
Emergency Services Volunteer Length of Service					
Award Program (LOSAP):					
Fire Department	120,750.00	120,750.00	120,750.00		
Landfill/Solid Waste Disposal Costs -					
Other Expenses	84,000.00	84,000.00	70,821.81	13,178.19	
Landfill/Solid Waste Disposal Costs -					
Reimbursement for Multi-Family Dwellings					
NJSA 40A:4-45.3kk:					
Other Expenses	15,768.00	15,768.00	15,768.00		
<u>TOTAL OPERATIONS- EXCLUDED FROM "CAPS":</u>	\$ 710,026.00	\$ 710,026.00	\$ 608,464.97	\$ 101,561.03	\$
<u>SHARED SERVICE AGREEMENTS:</u>					
Health Services - Freehold Township	\$ 78,332.00	\$ 78,332.00	\$ 69,972.00	\$ 8,360.00	\$
Animal Control - Manalapan Township	29,000.00	29,000.00	27,664.00	1,336.00	
911/Police Dispatch Services - County of Monmouth	200,265.00	200,265.00	200,265.00		
Information Technology Maintenance - Freehold Twp	22,404.00	22,404.00	22,404.00		
Lake Topanemus Commission - Freehold Township	9,000.00	9,000.00		9,000.00	
Vehicle Maintenance:					
Other Expenses	62,000.00	62,000.00	35,222.50	26,777.50	
Code Enforcement, Building Inspection and Plan Review					
Services - Freehold Township					
Salaries and Wages	30,500.00	30,500.00	30,422.16	77.84	
Downtown Freehold - Shared Laborer	25,768.00	25,768.00	25,768.00		
Electrical Inspections - Freehold Township	10,000.00	10,000.00		10,000.00	
<u>TOTAL SHARED SERVICE AGREEMENTS</u>	\$ 467,269.00	\$ 467,269.00	\$ 411,717.66	\$ 55,551.34	\$

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



BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFFSET BY REVENUES:</u>					
State of New Jersey:					
Recycling Tonnage Grant:	\$ 15,551.61	\$ 15,551.61	\$ 15,551.61	\$	\$
State of New Jersey - DEP- Radon Kits	2,000.00	2,000.00	2,000.00		
State of New Jersey- Body Armor Replacement Program	2,280.10	2,280.10	2,280.10		
Contributions from Private Sources - Community Policing	900.00	900.00	900.00		
Safe and Secure Program Police:					
Grant Portion:					
Salaries and Wages	32,400.00	32,400.00	32,400.00		
Matching Portion:					
Salaries and Wages	228,064.00	228,064.00	228,064.00		
Other Expenses	120,740.00	120,740.00	120,740.00		
NJ State Library-ARPA Computer Project (40A: 4-87 + \$9,058.00)		9,058.00	9,058.00		
Neighborhood Preservation Program Grant					
Salaries and Wages (40A: 4-87 + \$15,000.00)		15,000.00	15,000.00		
Other Expenses (40A: 4-87 + \$110,000.00)		110,000.00	110,000.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>	<u>\$ 401,935.71</u>	<u>\$ 535,993.71</u>	<u>\$ 535,993.71</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 1,579,230.71</u>	<u>\$ 1,713,288.71</u>	<u>\$ 1,556,176.34</u>	<u>\$ 157,112.37</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 210,420.00	210,420.00	\$ 210,420.00	\$	\$
Purchase of DPW Equipment	46,000.00	46,000.00	33,719.19	12,280.81	
Purchase of Fire Department Equipment	29,000.00	29,000.00	14,875.00	14,125.00	
Purchase of Police Equipment	35,500.00	95,500.00	85,775.46	9,724.54	
<u>TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>	<u>\$ 380,920.00</u>	<u>\$ 380,920.00</u>	<u>\$ 344,789.65</u>	<u>\$ 36,130.35</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE -EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 640,000.00	\$ 640,000.00	\$ 640,000.00	\$	\$
Interest on Bonds	352,750.00	352,750.00	352,750.00		
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	<u>\$ 992,750.00</u>	<u>\$ 992,750.00</u>	<u>\$ 992,750.00</u>	<u>\$</u>	<u>\$</u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 2,952,900.71	\$ 3,086,958.71	\$ 2,893,715.99	\$ 193,242.72	\$
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 16,214,386.71	\$ 16,348,444.71	\$ 14,578,951.12	\$ 1,744,493.59	\$ 25,000.00
RESERVE FOR UNCOLLECTED TAXES	972,372.93	972,372.93	972,372.93		
TOTAL GENERAL APPROPRIATIONS	\$ 17,186,759.64	\$ 17,320,817.64	\$ 15,551,324.05	\$ 1,744,493.59	\$ 25,000.00
REF.	A-2	A-3	A-1:A-3	A:A-1	
		Budget After Modification			
Budget	A-2	\$ 17,186,759.64			
Added by N.J.S. 40A:4-87	A-2	134,058.00			
	A-3	\$ 17,320,817.64			
			Paid or Charged		
Disbursements	A-4		\$ 13,230,447.75		
Reserve for Encumbrances	A-14		812,509.66		
Appropriated Reserves for					
Federal and State Grants	A-27		535,993.71		
Reserve for Uncollected Taxes	A-2		972,372.93		
	A-3		\$ 15,551,324.05		

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

TRUST FUND

"B"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
Animal Control Trust Fund:			
Cash	B-1	\$ 2,052.60	\$ 3,252.52
Trust Other Funds:			
Cash	B-1	\$ 1,879,543.66	\$ 1,639,250.77
Payroll Fund:			
Cash	B-1	\$ 104,910.36	\$ 82,710.67
		<u>\$ 1,986,506.62</u>	<u>\$ 1,725,213.96</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Trust Fund:			
Due To State	B-3	\$ 21.60	\$ 28.20
Interfund - Current Fund	B-4	0.30	0.82
Reserve for Animal Control Trust Fund Expenditure:	B-2	<u>2,030.70</u>	<u>3,223.50</u>
		<u>\$ 2,052.60</u>	<u>\$ 3,252.52</u>
Trust Other Funds:			
Interfund - Current Fund	B-6	\$ 3,602.46	\$ 117.49
Various Reserves	B-5	1,715,793.01	1,461,146.95
Reserve for Unemployment Compensation Insurance	B-6	<u>175,778.00</u>	<u>177,986.33</u>
		<u>\$ 1,895,173.47</u>	<u>\$ 1,639,250.77</u>
Payroll Fund:			
Payroll Deductions Payable	B-8	\$ 89,280.55	\$ 82,710.67
		<u>\$ 1,986,506.62</u>	<u>\$ 1,725,213.96</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
Cash and Cash Equivalents	C-2	\$ 5,694,963.87	\$ 2,931,291.99
Deferred Charges to Future Taxation:			
Funded	C-4	6,415,000.00	7,055,000.00
Unfunded	C-5	9,214,000.00	5,512,000.00
Grants Receivable	C-6	1,739,658.00	372,500.00
Sidewalk Improvement Accounts Receivable	C-7	33,021.58	82,821.44
Interfund Receivable	C-15	51,693.44	
		<u>\$ 23,148,336.89</u>	<u>\$ 15,953,613.43</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-8	\$ 6,415,000.00	\$ 7,055,000.00
Bond Anticipation Notes	C-9	8,600,000.00	
Reserve for Encumbrances	C-10	362,176.37	16,599.30
Improvement Authorizations:			
Funded	C-11	1,645,457.67	1,430,456.35
Unfunded	C-11	3,232,150.94	5,476,250.00
Contracts Payable	C-10		114,003.56
Capital Improvement Fund	C-12	274,329.19	161,751.19
Reserve for Payment of Bonds	C-13	644,925.25	543,361.81
Reserve for RCA Funds	C-14	918,244.51	890,442.08
Reserve for Sidewalk Improvement Receivable	C-7	33,021.58	82,821.44
Reserve for Grants Receivable	MEMO	889,000.00	
Fund Balance	C-1	134,031.38	173,927.70
		<u>\$ 23,148,336.89</u>	<u>\$ 15,953,613.43</u>

There were bonds and notes authorized not issued on December 31, 2021 of \$614,000.00

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2020	C	\$	173,927.70
Increased by:			
Premium on Bond Anticipation Note Sale	C-2		<u>60,103.68</u>
			234,031.38
Decrease by:			
Appropriated to 2021 Budget Revenue	C-2		<u>100,000.00</u>
Balance, December 31, 2021	C	\$	<u><u>134,031.38</u></u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



WATER-SEWER UTILITY FUND

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>Operating Fund</u>			
Cash and Cash Equivalents	D-5	\$ 1,425,880.73	\$ 1,241,631.12
Change Fund	D	50.00	
		<u>\$ 1,425,930.73</u>	<u>\$ 1,241,631.12</u>
Receivables Without Reserves:			
Interfund - Current Fund	D-14	\$ 96.85	\$
Interfund - Water/Sewer Utility Capital Fund	D-14	10,501.39	
		<u>\$ 10,598.24</u>	<u>\$</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-7	\$ 483,223.89	\$ 389,673.13
Inventory		<u>65,573.85</u>	<u>65,573.85</u>
		<u>\$ 548,797.74</u>	<u>\$ 455,246.98</u>
<u>Total Operating Fund</u>		<u>\$ 1,985,326.71</u>	<u>\$ 1,696,878.10</u>
<u>Capital Fund</u>			
Cash and Cash Equivalents	D-5	\$ 2,658,125.28	\$ 6,088,339.91
Fixed Capital	D-15	13,158,375.56	12,712,306.58
Fixed Capital Authorized and Uncompleted	D-16	<u>14,340,000.00</u>	<u>14,586,068.98</u>
Total Capital Fund		<u>\$ 30,156,500.84</u>	<u>\$ 33,386,715.47</u>
<u>TOTAL ASSETS</u>		<u>\$ 32,141,827.55</u>	<u>\$ 35,083,593.57</u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves	D-4:D-10	\$ 566,027.02	\$ 612,758.46
Reserve for Encumbrances	D-11	89,260.86	95,080.25
Accounts Payable	D-8	1,049.25	17,565.99
Contracts Payable	D-9	3,572.50	11,068.25
Customer Overpayments	D-12	14,546.74	12,364.19
Accrued Interest Payable	D-13	45,669.63	36,626.24
		<u>\$ 720,126.00</u>	<u>\$ 785,463.38</u>
Reserve for Receivables and Other Assets	D	548,797.74	455,246.98
Fund Balance	D-1	<u>716,402.97</u>	<u>456,167.74</u>
<u>Total Operating Fund</u>		<u>\$ 1,985,326.71</u>	<u>\$ 1,696,878.10</u>
<u>Capital Fund</u>			
Serial Bonds	D-17	\$ 9,350,000.00	\$ 9,700,000.00
Bond Anticipation Notes	D-18	2,600,000.00	
Reserve for Encumbrances	D-19	1,303,011.36	3,112.50
Improvement Authorizations:			
Funded	D-20	434,351.21	454,343.19
Unfunded	D-20	884,679.77	917,650.00
Capital Improvement Fund	D-21	137,901.64	147,901.64
Reserve for Manhole Rehabilitation		4,006.80	4,006.80
Reserve for Amortization	D-22	12,528,994.96	14,325,369.37
Contracts Payable			6,864,236.55
Deferred Reserve for Amortization	D-23	2,653,930.60	497,556.19
Reserve for Payment of Bonds	D-24	230,389.40	471,976.40
Interfund Water/Sewer Utility Operating Fund	D-14	10,501.39	
Fund Balance	D-2	<u>18,733.71</u>	<u>562.83</u>
<u>Total Capital Fund</u>		<u>\$ 30,156,500.84</u>	<u>\$ 33,386,715.47</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 32,141,827.55</u>	<u>\$ 35,083,593.57</u>

There were bonds and notes authorized not issued on December 31, 2021 of \$365,450.00

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

		YEAR ENDED DECEMBER 31, 2021	YEAR ENDED DECEMBER 31, 2020
	<u>REF.</u>		
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Operating Surplus Anticipated	D-3	\$ 456,000.00	\$ 769,963.00
Water Rents	D-3:D-7	5,860,115.08	5,670,143.62
Miscellaneous Revenue	D-3	31,917.83	144,237.77
Reserve for Payment of Bonds	D-3	241,587.00	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	599,115.91	442,881.42
Accounts Payable Canceled	D-8	15,183.26	
<u>TOTAL REVENUE</u>		\$ <u>7,203,919.08</u>	\$ <u>7,027,225.81</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 5,489,280.00	\$ 5,592,280.00
Debt Service	D-4	788,042.00	796,011.00
Statutory Expenditures	D-4	210,265.00	199,672.00
Refund Prior Year Revenue	D-5	96.85	
<u>TOTAL EXPENDITURES</u>		\$ <u>6,487,683.85</u>	\$ <u>6,587,963.00</u>
Statutory Excess to Fund Balance		\$ <u>716,235.23</u>	\$ <u>439,262.81</u>
Fund Balance January 1	D	\$ <u>456,167.74</u>	\$ <u>786,867.93</u>
		\$ 1,172,402.97	\$ 1,226,130.74
Decreased by:			
Utilized as Anticipated Revenue	D-1:D-3	<u>456,000.00</u>	<u>769,963.00</u>
Fund Balance December 31	D	\$ <u>716,402.97</u>	\$ <u>456,167.74</u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2020	D	\$	562.83
Increased by:			
Premium on BAN Sale	D-5		<u>18,170.88</u>
Balance, December 31, 2021	D	\$	<u><u>18,733.71</u></u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 456,000.00	\$ 456,000.00	\$
Water Rents	D-1:D-7	5,670,000.00	5,860,115.08	190,115.08
Miscellaneous	D-1:D-3:D-5	120,000.00	31,917.83	(88,082.17)
Reserve for Payment of Bonds	D-1:D-5	<u>241,587.00</u>	<u>241,587.00</u>	
		\$ <u>6,487,587.00</u>	\$ <u>6,589,619.91</u>	\$ <u>102,032.91</u>
	<u>REF.</u>	D-4		

Analysis of Miscellaneous Revenue:

Interest Earned on Investments	\$ 11,510.88
Interest Earned on Delinquent Accounts	3,726.95
Returned Check Fees	260.00
Special Reading Fee	6,285.00
Installations	9,650.00
Disconnect/Reconnect Fee	190.00
Miscellaneous	<u>295.00</u>
D-1:D-3	\$ <u>31,917.83</u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER - SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 1,150,000.00	\$ 1,150,000.00	\$ 1,022,538.48	\$ 127,461.52
Other Expenses	1,445,000.00	1,445,000.00	1,048,994.71	396,005.29
Manasquan River Regional Sewerage Costs	2,893,280.00	2,893,280.00	2,873,280.00	20,000.00
Interlocal - Freehold Township Water Plant	1,000.00	1,000.00		1,000.00
Debt Service:				
Payment of Bond Principal	350,000.00	350,000.00	350,000.00	
Interest on Bonds	438,042.00	438,042.00	438,042.00	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	114,015.00	114,015.00	114,015.00	
Social Security System (O.A.S.I.)	91,250.00	91,250.00	74,689.79	16,560.21
Unemployment Compensation Insurance	5,000.00	5,000.00		5,000.00
	<u>\$ 6,487,587.00</u>	<u>\$ 6,487,587.00</u>	<u>\$ 5,921,559.98</u>	<u>\$ 566,027.02</u>

REF.

D-3

D-1

D:D-1

Analysis of Paid or Charged:

Cash Disbursements	D-5	\$ 5,394,257.12
Reserve for Encumbrances	D-11	89,260.86
Accrued Interest Payable	D-13	<u>438,042.00</u>
		<u>\$ 5,921,559.98</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK



PARKING UTILITY FUND

"E"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

	REF.	Balance December 31, <u>2021</u>	Balance December 31, <u>2020</u>
<u>ASSETS</u>			
Operating Fund: Cash	E-4	\$ <u>63.86</u>	\$ <u>49.22</u>
<u>Total Operating Fund</u>		\$ <u>63.86</u>	\$ <u>49.22</u>
Capital Fund: Cash	E-4	\$ <u>6,700.00</u>	\$ <u>6,700.00</u>
<u>Total Capital Fund</u>		\$ <u>6,700.00</u>	\$ <u>6,700.00</u>
<u>TOTAL ASSETS</u>		\$ <u><u>6,763.86</u></u>	\$ <u><u>6,749.22</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund: Fund Balance	E-1	\$ <u>63.86</u>	\$ <u>49.22</u>
<u>Total Operating Fund</u>		\$ <u>63.86</u>	\$ <u>49.22</u>
Capital Fund: Reserve for Parking Improvements		\$ <u>6,700.00</u>	\$ <u>6,700.00</u>
<u>Total Capital Fund</u>		\$ <u>6,700.00</u>	\$ <u>6,700.00</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ <u><u>6,763.86</u></u>	\$ <u><u>6,749.22</u></u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:		
Other Credits to Income:		
Interest on Investments	\$ 14.64	\$ 30.24
Current Year Appropriations Canceled	<u>25,000.00</u>	<u>25,000.00</u>
Total Income	\$ <u>25,014.64</u>	\$ <u>25,030.24</u>
Expenditures:		
Deficit in Anticipated Revenues	\$ <u>25,000.00</u>	\$ <u>25,000.00</u>
Total Expenditures	\$ <u>25,000.00</u>	\$ <u>25,000.00</u>
Excess/(Deficit) in Revenue	\$ <u>14.64</u>	\$ <u>30.24</u>
Statutory Excess to Fund Balance	\$ 14.64	\$ 30.24
Fund Balance, January 1	<u>49.22</u>	<u>18.98</u>
Fund Balance, December 31	\$ <u><u>63.86</u></u>	\$ <u><u>49.22</u></u>

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Anticipated Deficit (Current Fund)	\$ <u>25,000.00</u>	\$ <u>-0-</u>	\$ <u>(25,000.00)</u>
	\$ <u>25,000.00</u>	\$ <u>-0-</u>	\$ <u>(25,000.00)</u>

REF. E-3

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

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Appropriated		Paid or	Reserved	Unexpended
	Budget	Modification	Charged		Balance
					Canceled
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	\$ 25,000.00	\$ 25,000.00	\$	\$	\$ 25,000.00
Total Capital Improvements	\$ 25,000.00	\$ 25,000.00	\$	\$	\$ 25,000.00
Total Parking Utility Operating Expenditures	\$ 25,000.00	\$ 25,000.00	\$	\$	\$ 25,000.00

REF.

E-2

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

GENERAL FIXED ASSET ACCOUNT GROUP

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP  
STATEMENTS OF GENERAL FIXED ASSETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
General Fixed Assets:			
Land	F-1	\$ 5,338,700.00	4,420,700.00
Building	F-1	5,972,300.00	2,290,300.00
Equipment	F-1	<u>8,004,090.41</u>	<u>7,782,001.08</u>
		\$ <u>19,315,090.41</u>	\$ <u>14,493,001.08</u>
Investments in General Fixed Assets		\$ <u>19,315,090.41</u>	\$ <u>14,493,001.08</u>



NOTES TO FINANCIAL STATEMENTS

## BOROUGH OF FREEHOLD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 2020

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

##### A. Reporting Entity

The Borough of Freehold (the "Borough") is located in the western part of Monmouth County in the north central part of New Jersey. It is wholly surrounded by Freehold Borough and its neighboring communities include Colts Neck, Marlboro and Manalapan Borough.

The Borough of Freehold operates under the Borough form of government. The governing body consists of a Mayor and six Council members. All action is passed by a majority or, when required, a 2/3 vote of Council. The Mayor votes only in the event of a tie. The Mayor has veto power over all ordinances passed by the Borough Council. This veto can be overridden by a two-thirds (2/3) vote of the Council.

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 Freehold include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Freehold do not include the operations of the local or regional school district, inasmuch as their activities are administered by separate boards.

##### B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP.)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Borough conform to the accounting principles applicable to municipalities that 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 Borough accounts for its financial transactions through the following separate funds that differ from the fund structure required by generally accepted accounting principles.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Payroll Fund and Trust Other Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Water-Sewer Utility Operating Fund and Capital Fund - The Water-Sewer Utility maintains an Operating Fund and Capital Fund which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Parking Utility Operating Fund and Capital Fund - The Parking Utility maintains an Operating Fund and Capital Fund which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Fixed Asset Group of Accounts - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue - Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Reserve for Encumbrances - All local units are required by N.J.A.C. 5:30-5.2, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves that are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water-Sewer Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Water-Sewer Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Fixed Assets

General - In accordance with 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 GAAP, the Borough has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

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 greater, per unit.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

General (Continued)

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Water-Sewer Utility, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are not duplicated in the Fixed Asset Group of Accounts.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utility is offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligation.

Accounting and Financial Reporting for Pensions

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

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

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

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



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (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 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

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 which are required by the Division and which differ from the financial statements required by GAAP.

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. 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 Freehold had the following cash and cash equivalents at December 31, 2021:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$21,979,751.50	(\$85,760.28)		\$21,893,991.22
Change Funds			950.00	950.00
	<u>\$21,979,751.50</u>	<u>(\$85,760.28)</u>	<u>\$950.00</u>	<u>\$21,894,941.22</u>

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits

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, 2021, the Borough's bank balance of \$21,979,751.50 was insured or collateralized as follows:

Insured under FDIC	\$500,000.00
Insured under GUDPA	<u>21,479,751.50</u>
	<u>\$21,979,751.50</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;
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;

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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.

As of December 31, 2021, the Borough had no funds set aside for investment purposes.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. 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, must be paid off within ten years and five months or refunded by the issuance of bonds.

Summary of Municipal Debt (Excluding Current Operating Debt and Type II School Debt)

	<u>YEAR 2021</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Issued:			
General:			
Bonds and Notes	\$15,015,000.00	\$7,055,000.00	\$15,304,800.00
Water and Sewer Utility:			
Bonds, Notes and Loans	11,950,000.00	9,700,000.00	13,692,500.00
Net Debt Issued	<u>\$26,965,000.00</u>	<u>\$16,755,000.00</u>	<u>\$28,997,300.00</u>
Less: Reserve to Pay Bonds	644,925.25	543,361.98	7,614,800.00
Net Debt Issued	<u>\$26,320,074.75</u>	<u>\$16,211,638.02</u>	<u>\$21,382,500.00</u>
 <u>Authorized but not Issued</u>			
General:			
Bonds and Notes	\$614,000.00	\$5,512,000.00	
Water and Sewer Utility:			
Bonds and Notes	365,450.00	2,775,450.00	476,800.00
Total Authorized but not Issued	<u>\$979,450.00</u>	<u>\$8,287,450.00</u>	<u>\$476,800.00</u>
Net Bonds and Notes Issued and and Authorized but not issued	<u>\$27,299,524.75</u>	<u>\$24,499,088.02</u>	<u>\$21,859,300.00</u>

NOTE 3. MUNICIPAL DEBT (CONTINUED)

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.528%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$14,165,000.00	\$14,165,000.00	-0-
Regional High School District Debt	472,638.99	472,638.99	-0-
Water/Sewer Utility Debt	12,315,450.00	9,524,540.00	\$2,790,910.00
General Debt	<u>15,629,000.00</u>	<u>644,925.25</u>	<u>\$14,984,074.75</u>
	<u>\$42,582,088.99</u>	<u>\$24,807,104.24</u>	<u>\$17,774,984.75</u>

Net Debt \$17,774,984.75 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,163,571,299.00 equals 1.528%.

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

Equalized Valuation Basis* - December 31, 2021	\$1,163,571,299.00
3-1/2 of Equalized Valuation Basis	40,724,995.47
Net Debt	<u>17,774,984.75</u>
Remaining Borrowing Power	<u>\$22,950,010.72</u>

School Debt Deduction

School debt is deductible up to the extent of 3.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

School debt is deductible up to the extent of 3.0% of the Average Equalized Assessed Valuation of real property for the Regional High School District.

NOTE 3. MUNICIPAL DEBT (CONTINUED)

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

Water-Sewer Utility:

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$ 6,336,522.03
--	-----------------

Deductions:

Operating and Maintenance Cost	\$ 5,699,545.00	
Debt Service	<u>788,042.00</u>	
Total Deductions		<u>6,487,587.00</u>

Deficit in Revenue	\$ <u>(151,064.97)</u>
--------------------	------------------------

Gross Water-Sewer System Debt	\$ 12,315,450.00
Less Deficit Capitalized at 5%	<u>(3,021,299.40)</u>

Deduction	\$ 9,294,150.60
Plus: Cash held to Pay Bonds and Notes	<u>230,389.40</u>

Total Allowable Deduction	\$ <u>9,524,540.00</u>
---------------------------	------------------------

The foregoing debt information is in agreement with the Annual Debt Statement as amended, filed by the Chief Financial Officer with the Division of Local Government Services.



NOTE 3. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2021

CALENDAR YEAR	GENERAL CAPITAL		
	PRINCIPAL	INTEREST	TOTAL
2022	\$670,000.00	\$320,750.00	\$990,750.00
2023	705,000.00	287,250.00	992,250.00
2024	740,000.00	252,000.00	992,000.00
2025	780,000.00	215,000.00	995,000.00
2026	815,000.00	176,000.00	991,000.00
2027-2029	2,705,000.00	274,750.00	2,979,750.00
	<u>\$6,415,000.00</u>	<u>\$1,525,750.00</u>	<u>\$7,940,750.00</u>

CALENDAR YEAR	WATER-SEWER UTILITY CAPITAL		
	PRINCIPAL	INTEREST	TOTAL
2022	\$350,000.00	\$422,000.00	\$772,000.00
2023	350,000.00	404,500.00	754,500.00
2024	370,000.00	387,000.00	757,000.00
2025	390,000.00	368,500.00	758,500.00
2026	410,000.00	349,000.00	759,000.00
2027-2031	2,380,000.00	1,416,500.00	3,796,500.00
2032-2036	3,000,000.00	795,500.00	3,795,500.00
2037-2039	2,100,000.00	168,000.00	2,268,000.00
	<u>\$9,350,000.00</u>	<u>\$4,311,000.00</u>	<u>\$13,661,000.00</u>

NOTE 3. MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The General Capital Bonds are comprised of the following issues:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER 31, 2021
\$7,690,000.00 in General Improvement Bonds dated December 23, 2019, due in remaining annual installments ranging between \$670,000.00 and \$945,000.00 beginning December 1, 2022 and ending December 1, 2029 at an interest rate of 5.00%	<u>\$6,415,000.00</u>
	<u>\$6,415,000.00</u>

The Water-Sewer Capital Bonds are comprised of the following issues:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER 31, 2021
\$10,050,000.00 in Water-Sewer Utility Bonds dated December 23, 2019 due in remaining annual installments ranging between \$350,000.00 and \$700,000.00 beginning December 1, 2022 and ending December 1, 2039 with interest from 4.00% to 5.00%	<u>\$9,350,000.00</u>
	<u>\$9,350,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2021, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$614,000.00
Water-Sewer Utility Capital Fund	\$365,450.00

NOTE 3. MUNICIPAL DEBT (CONTINUED)

Short Term Debt

At December 31, 2021, the Borough has the following Bond Anticipation Notes 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>
2020-12	08/05/21	08/05/21	08/04/22	1.00%	\$652,000.00
2020-14	08/05/21	08/05/21	08/04/22	1.00%	4,760,000.00
2021-01	08/05/21	08/05/21	08/04/22	1.00%	1,359,000.00
2021-08	08/05/21	08/05/21	08/04/22	1.00%	1,258,000.00
2021-09	08/05/21	08/05/21	08/04/22	1.00%	<u>571,000.00</u>
					<u>\$8,600,000.00</u>

Water-Sewer Utility 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>
2018-02	08/05/21	08/05/21	08/04/22	1.00%	\$2,410,000.00
2021-10	08/05/21	08/05/21	08/04/22	1.00%	<u>190,000.00</u>
					<u>\$2,600,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$2,050,000.0 (A)
Water-Sewer Utility Operating Fund	\$ 600,000.00 (A)

(A) – Per adopted budget

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, Local School District and Regional 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>2021</u>	BALANCE DECEMBER 31, <u>2020</u>
Prepaid Taxes	<u>\$321,494.52</u>	<u>\$262,474.82</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

*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, 2020 PERS, provides for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2021, 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>Public Employees Retirement System</u>	<u>Police &amp; Firemen's Retirement System</u>	<u>Defined Contribution Retirement Program</u>	<u>Total</u>
2021	\$385,439.00	\$1,044,123.00	\$1,352.24	\$1,430,914.24
2020	366,560.00	972,978.00	1,352.24	1,340,890.24
2019	362,024.00	894,460.00	726.00	1,257,210.00

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

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2009, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2010.

NOTE 6. PENSION PLANS (CONTINUED)

Pension Contribution Deferral (Continued)

If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Borough of Freehold elected to defer a portion of its pension contributions as follows:

Retirement System	Original Amount Deferred	Balance December 31, 2020	2021 Payments	Balance December 31, 2021
PFRS	\$ 340,121.00	\$ 187,897.00	\$ 34,585.00	\$ 153,312.00
PERS	<u>112,180.00</u>	<u>61,973.00</u>	<u>11,741.00</u>	<u>50,232.00</u>
Total	\$ <u>452,301.00</u>	\$ <u>249,870.00</u>	\$ <u>46,326.00</u>	\$ <u>203,544.00</u>

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, 2021. 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, 2021.

Public Employees Retirement System (PERS)

At June 30, 2021, the State reported a net pension liability of \$4,110,206.00 for the Borough's proportionate share of the total 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.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2021, the Borough's proportion was 0.0346955316 percent, which was an increase of 0.0006064616 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 \$584,426.00 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, 2021 billing was \$386,186.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 64,823.00	\$ 29,424.00
Changes of assumptions		1,463,260.00
Net difference between projected and actual earnings on pension plan investments	21,406.00	1,082,736.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>116,399.00</u>	<u>229,680.00</u>
	<u>\$ 202,628.00</u>	<u>\$ 2,805,100.00</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>
2022	(\$992,486.20)
2023	(715,112.20)
2024	(494,793.20)
2025	(377,563.20)
2026	<u>(22,517.20)</u>
	<u>(\$2,602,472.00)</u>



NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The 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. These actuarial valuations used the following assumptions:

	<u>June 30, 2021</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
	Based on
	Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2021, 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 PERS'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 Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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.

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, 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 pension liability	\$5,597,267.00	\$4,110,206.00	\$2,848,224.00

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 \$6,602,966.00 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.

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 Borough's proportion was 0.0903383300 percent, which was an increase of 0.0001757190 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 \$957,251.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2021 billing was \$991,341.00.

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 Resources		Deferred Inflow of Resources
Differences between expected and actual experience	\$	75,332.00	\$	790,967.00
Changes of assumptions		35,135.00		1,978,879.00
Net difference between projected and actual earnings on pension plan investments				2,813,739.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions		550,903.00		440,889.00
	\$	<u>661,370.00</u>	\$	<u>6,024,474.00</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		Amount
June 30		
2022	\$	(1,730,151.20)
2023		(1,293,240.20)
2024		(1,106,567.20)
2025		(1,090,905.20)
2026		(118,376.20)
Thereafter		<u>(23,864.00)</u>
	\$	<u>(5,363,104.00)</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:

June 30, 2021

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 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 June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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	\$10,026,397.00	\$6,602,966.00	\$3,753,329.00

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 \$1,857,083.00 and \$1,779,464.00, 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	\$6,602,966.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,857,083.00</u>
	<u>\$8,460,049.00</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. LOCAL DISTRICT AND REGIONAL HIGH SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of Local District School Taxes on a calendar year basis, thus there is no deferral of Local District School Taxes.

The Borough raises its share of Regional High School Taxes on a school year basis and has elected to defer these taxes as follows:

	Regional District High School Tax	
	Balance	Balance
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Balance of Tax	\$2,128,224.07	\$2,128,391.07
Deferred	<u>1,474,431.07</u>	<u>1,474,431.07</u>
Tax Payable	<u>\$653,793.00</u>	<u>\$653,960.00</u>

NOTE 8. DEFERRED COMPENSATION PLAN

The Borough offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:3-37.

The "Small Business Job Protection Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The plan was adopted by Resolution on September 17, 1990 and amended by Resolution on December 7, 1998.

The administrator for the Borough's Deferred Compensation Plan's are The Equitable and ICMA.

NOTE 9. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, there were no deferred charges.

NOTE 10. RISK MANAGEMENT

The Borough, together with other governmental units, are members of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles.

For the year ended December 31, 2021, the Fund provided coverage for Property, Boiler and Machinery, Automobile Liability, General Liability and Workmen's Compensation. The Fund also provided public officials' surety bond coverage and public employee blanket bond coverage.

The Fund also purchases excess insurance policies, which provide coverage to the Fund for claims in excess of \$750,000 for workers' compensation claims, \$500,000 for general and automobile liability claims, \$500,000 for law enforcement liability claims, \$100,000 for automobile physical damage claims, \$50,000 for property claims, \$500,000 for employment practices liability claims, and \$500,000 for public officials liability.

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. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and prior two years:

<u>Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$368.68	\$15,629.81	\$18,206.82	\$175,778.00
2020	810.03	17,163.85	834.00	177,986.33
2019	2,809.27	11,287.51	28,620.77	160,846.45

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at December 31, 2021 were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$3,602.76	\$957,808.81
Grant Fund	906,018.52	
Animal Control Trust Fund		0.30
Trust Other Fund		3,602.46
General Capital Fund	51,693.44	
Water-Sewer Utility Operating Fund	10,598.24	
Water-Sewer Utility Capital Fund		10,501.39
	<u>\$971,912.96</u>	<u>\$971,912.96</u>

The above interfund balances are created by several factors such as interest earnings in one fund that are not transferred by year end, expenditures by one-fund not reimbursed by the other fund by year end and book entries for control purposes.

NOTE 12. 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, N.J.S.A. 52:270-301 et seq. the regulations of the council on Affordable Housing, N.J.A.C. 5:94: et seq. and N.J.A.C. 5:95 et seq. and the Uniform Housing Affordability Controls, N.J.A.C. 5:94 et seq. Tax abatements may be granted to any affordable housing, as deemed appropriate by the Borough.

NOTE 12. TAX ABATEMENTS (CONTINUED)

For the year ended December 31, 2021, the Borough abated property taxes totaling \$1,529,992.59 under this program.

<u>Recipient</u>	<u>Purpose</u>	<u>Taxes Abated</u>	<u>Collected PILOT Program</u>
Rug Mill LLC % Ingerman	Affordable & Senior Housing	\$803,747.53	\$111,270.00
Mechanic Street Urban Renewal	Redevelopment	182,956.87	77,559.03
Senior Housing Corporation	Affordable Housing	543,288.19	306,420.00
		<u>\$1,529,992.59</u>	<u>\$495,249.03</u>

NOTE 13. COMPENSATED ABSENCES

The Borough has a potential contingent liability for accrued unused sick days as of December 31, 2021, under the adopted policies and procedures of the Borough, of \$359,147.46, for those employees who could conceivably retire within the next five years. The Borough has funded \$281,991.54. An accrual has not been made for the unfunded portion of this potential liability.

NOTE 14. TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2021 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has made provision in the amount of \$696,857.81 for these appeals in the event that the tax reductions are granted.

NOTE 15. 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 16. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

A. Volunteer Fire Department

The Borough of Freehold Length of Service Award Program (the Plan) was created by a Borough Ordinance adopted on August 4, 2003 pursuant to P.L. 1997, c. 388 of the State of New Jersey and Code Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The voters of the Borough of Freehold approved the adoption of the Plan at the general election held on November 4, 2003.

The first year of eligibility for entrance into the Plan was calendar year 2004. The tax deferred income benefits for the Volunteer Fire Department come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of the plan created by the governing body.

If an active member meets the year of active service requirements, a LOSAP must provide a benefit contribution of \$1,150.00 per year in accordance with the Borough Ordinance adopted on August 4, 2003 as amended.

The Borough of Freehold contributed \$47,150.00 and \$59,800 during 2021 and 2020, respectively for each eligible volunteer fire department member in the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Service Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries. All earnings, dividends and other distributions of the account shall be automatically reinvested.

NOTE 16. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP CONTINUED)

B. Freehold First Aid and Emergency Squad

The Length of Service Award Program (the Plan) was created by a Borough Ordinance adopted on August 16, 2004 pursuant to P.L. 1997, c. 388 of the State of New Jersey and Code Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The LOSAP is administered by the Borough of Freehold as the lead agency through an interlocal service agreement with the Borough of Freehold. The voters of the Borough of Freehold and Borough of Freehold approved the adoption of the Plan at the general election held on November 2, 2004. The Borough of Freehold is responsible for thirty-five percent (35%) and the Borough of Freehold is responsible for sixty-five (65%) of the total contribution.

The first year of eligibility for entrance into the Plan was calendar year 2005. The tax deferred income benefits for the Volunteer Fire Department come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of the plan created by the governing body.

If an active member meets the year of active service requirements, a LOSAP must provide a benefit contribution of \$1,150.00 per year in accordance with the Borough Ordinance adopted on August 16, 2004.

The Borough of Freehold contributed \$0.00 and \$0.00 during 2021 and 2020, respectively for each eligible volunteer member in the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Service Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries. All earnings, dividends and other distributions of the account shall be automatically reinvested.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the respective volunteer organization, the funds are returned to the sponsoring agency's surplus.

NOTE 16. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP CONTINUED)

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.

NOTE 17. FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Balance December 31, 2021
General Fixed Assets:			
Land	\$ 4,420,700.00	\$ 918,000.00	\$ 5,338,700.00
Building	2,290,300.00	3,682,000.00	5,972,300.00
Equipment	<u>7,782,001.08</u>	<u>222,089.33</u>	<u>8,004,090.41</u>
	<u>\$ 14,493,001.08</u>	<u>\$ 4,822,089.33</u>	<u>\$ 19,315,090.41</u>

NOTE 18: 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 Borough is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

NOTE 18: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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. 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.



NOTE 18: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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 of Freehold contributions to SHBP for retirees for the years ended December 31, 2020, 2019, and 2018, were \$744,384.03, \$646,664.15, and \$977,731.62 respectively, which equaled the required contributions for each year. There were approximately 126, 98, and 94, retired participants eligible at December 31, 2020, 2019, and 2018, respectively.

Total Net OPEB Liability

At June 30, 2020, the Plan reported a liability of \$21,701,403.00.00 for the Borough's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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, 2019 through June 30, 2020.

At June 30, 2020, the Borough's proportion was 0.120922 percent, which was an increase of 0.033290 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State reported OPEB expense of \$662,066.00. This OPEB benefit was based on the OPEB plans June 30, 2020 measurement date.

NOTE 18: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability (Continued)

At June 30, 2020, 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	\$571,598	\$4,041,206
Changes of assumptions	3,245,847	4,826,057
Net difference between projected and actual earnings on OPEB plan investments	13,782	-
Changes in proportion	<u>6,647,125</u>	<u>2,139,546</u>
	<u>\$10,478,352</u>	<u>\$11,006,809</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>
2021	(\$265,043)
2022	(266,100)
2023	(267,810)
2024	(269,372)
2025	103,119
Total Thereafter	<u>436,750</u>
	<u>(\$528,457)</u>

NOTE 18: 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>2020</u>	<u>2019</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%

NOTE 18: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020

\* 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, 2019 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 18: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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's as of June 30, 2020, 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, 2020		
	1.00% <u>Decrease (1.21%)</u>	At Discount <u>Rate (2.21%)</u>	1.00% <u>Increase (3.21%)</u>
Borough's proportionate share of the Net OPEB Liability	\$25,655,644	\$21,701,403	\$18,571,262

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's as of June 30, 2020, 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, 2020		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$17,957,934	\$21,701,403	\$26,603,528

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 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through October 12, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that the following subsequent events needed to be disclosed:

In prior years the Borough was a member of the Middlesex County Joint Insurance Fund (JIF). Subsequent to year end the JIF billed the Borough \$362,759.85 for what is their calculated pro rata share of an accumulated deficit of the JIF. The Fund will accept a financing plan approved by resolution or ordinance acknowledging the supplemental assessment, agreeing to payment of ten (10%) of the supplemental assessment on or before October 14, 2022, agreeing to pay an additional fifteen (15%) percent of the supplemental assessment on or before April 1, 2023, and agreeing to pay the remaining seventy-five (75%) percent in seven (7) equal payments no later than April 1 of each year beginning on or before April 1, 2024.

The Borough will be contesting this assessment along with several other public entities; however, the outcome is unknown.

The Borough also authorized the following debt subsequent to December 31, 2021:

<u>Ordinance Number</u>	<u>Date Adopted</u>	<u>Purpose</u>	<u>Debt Authorized</u>
2022-4	4/18/2022	Various Capital Improvements	\$4,760,000.00
2022-9	6/21/2022	Improvement to Various Sidewalks & Pedestrian Walkways	370,000.00
2022-13	9/6/2022	Various Capital Improvements related to the Parking Utility	684,000.00
2022-14	9/6/2022	Renovation of the Library and Equipment Upgrades	<u>550,000.00</u>
			<u>\$6,364,000.00</u>

BOROUGH OF FREEHOLD  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2021

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>Current Fund</u>
Balance, December 31, 2020	A	\$ 8,206,514.53
Increased by Receipts:		
Non-Budget Revenues	A-2	\$ 339,575.04
Taxes Receivable	A-5	29,938,910.89
Revenue Accounts Receivable	A-8	2,950,501.73
State of New Jersey (Ch. 20, P.L. 1971)	A-9	42,500.00
Prepaid Licenses, Fees and Permits	A-10	7,079.00
Interfunds - Other Funds	A-12	130.70
Tax Overpayments	A-15	80,451.41
Prepaid Taxes	A-16	252,022.88
Due to State of New Jersey - Various	A-22	15,703.00
Schedule of Various Reserves and Payables	A-11	6,614.00
Interfund - Federal and State Grant Fund	A-25	<u>812,307.68</u>
		<u>34,445,796.33</u>
		\$ 42,652,310.86
Decreased by Disbursements:		
2021 Budget Appropriations	A-3	\$ 13,230,447.75
Interfunds - Other Funds	A-12	3,495.88
2020 Appropriation Reserves	A-13	687,082.26
Tax Overpayments	A-15	38,016.29
Special Improvement District Taxes	A-17	270,000.00
County Taxes Payable	A-19	2,986,431.55
Regional High School District Tax	A-20	4,136,924.00
Local School Tax	A-21	10,709,154.00
Due to State of New Jersey - Various	A-22	17,454.00
Various Reserves and Payables	A-11	50,696.74
Interfund - Federal and State Grant Fund	A-25	399,957.53
Establish Change Fund	A	<u>900.00</u>
		<u>32,530,560.00</u>
Balance, December 31, 2021	A	<u>\$ 10,121,750.86</u>



"A-5"

TOWNSHIP OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2020	LEVY 2021 TAXES	ADDED TAXES	COLLECTIONS		TRANSFERRED TO TAX TITLE LIENS	TAX OVERPAYMENT APPLIED	CANCELED	BALANCE DECEMBER 31, 2021
				2020	2021				
2019	\$ 935.45	\$	\$	\$	\$ 56.10	\$ 879.35	\$	\$	\$
2020	687,443.52		2,178.10		686,964.74	939.69			1,717.19
2021		30,156,523.40		262,474.82	29,297,533.89	3,242.03	78,347.69	19,485.18	495,439.79
	<u>\$ 688,378.97</u>	<u>\$ 30,156,523.40</u>	<u>\$ 2,178.10</u>	<u>\$ 262,474.82</u>	<u>\$ 29,984,554.73</u>	<u>5,061.07</u>	<u>\$ 78,347.69</u>	<u>\$ 19,485.18</u>	<u>\$ 497,156.98</u>
REF.	A	A-5	A-2/A-16	A-2/A-4		A-6	A-2/A-15		A
Cash					\$ 29,938,910.89				
Senior Citizen Deductions					45,643.84				
					<u>\$ 29,984,554.73</u>				
<u>Analysis of 2021 Property Tax Levy</u>			REF.						
Tax Yield:									
General Purpose Tax					\$ 29,847,131.47				
Special District Taxes					270,000.00				
Added and Omitted Tax					<u>39,391.93</u>				
			A-5			\$ 30,156,523.40			
Tax Levy:									
Regional High School Tax			A-20			\$ 4,136,757.00			
Local School Tax			A-21			10,709,154.00			
County Taxes:									
County Tax			A-19		\$ 2,661,916.10				
County Open Space Tax			A-19		319,974.02				
Due County for Added and Omitted Taxes			A-19		<u>3,933.67</u>				
Total County Taxes						2,985,823.79			
Special District Tax			A-17			270,000.00			
Local Tax for Municipal Purposes			A-2		\$ 11,625,341.75				
Minimum Library Tax			A-2		384,546.18				
Add: Additional Tax Levied					<u>44,900.68</u>				
						<u>12,054,788.61</u>			
			A-5			\$ 30,156,523.40			

"A-6"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2020	A		\$ 17,185.99
Increased by:			
Transfer from Taxes Receivable	A-5	\$ 5,061.07	
Interest and Cost of Tax Sale		<u>260.87</u>	
			<u>5,321.94</u>
Balance, December 31, 2021	A		\$ <u>22,507.93</u>

"A-7"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance, December 31, 2020 and 2021	A	\$ <u>756,300.00</u>
-------------------------------------	---	----------------------

"A-8"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF.	BALANCE DECEMBER 31, 2020	ACCRUED IN 2021	COLLECTED	BALANCE DECEMBER 31, 2021
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		\$ 23,267.00	\$ 23,267.00	
Other	A-2		33,557.50	33,557.50	
Fees & Permits:					
Other	A-2		207,231.24	207,231.24	
Municipal Court:					
Fines and Costs	A-2	\$ 8,022.42	221,338.42	215,941.52	\$ 13,419.32
Other Revenue:					
Interest and Costs on Taxes	A-2		162,041.67	162,041.67	
Parking Meters	A-2		15,186.00	15,186.00	
Payment in Lieu of Taxes - Senior Citizens Housing Corp	A-2		306,420.00	306,420.00	
Payment in Lieu of Taxes - Mechanic Street Urban	A-2		77,559.03	77,559.03	
Payment in Lieu of Taxes - Rug Mill Families	A-2		111,270.00	111,270.00	
Consolidated Municipal Property Tax Relief Aid	A-2		43,500.00	43,500.00	
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-2		1,207,416.00	1,207,416.00	
Uniform Construction Code Fees	A-2		204,135.00	204,135.00	
Code Enforcement, Building Inspection and Plan Review					
Freehold Township	A-2		59,176.00	59,176.00	
Special Improvement District - Downtown Freehold	A-2		25,778.87	25,778.87	
Uniform Fire Safety	A-2		37,028.15	37,028.15	
Cable Television Franchise Fee	A-2		128,469.75	128,469.75	
General Capital Fund Balance	A-2		100,000.00	100,000.00	
		\$ 8,022.42	\$ 2,963,364.63	\$ 2,957,967.73	\$ 13,419.32
	REF.	A		A-4	A
Cash Receipts	A-4			\$ 2,950,501.73	
Prepaid Licenses, Fees and Permits Applied	A-10			7,466.00	
	A-8			\$ 2,957,967.73	

"A-9"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF DUE TO/(FROM) STATE - P.L. 1971, C. 20

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	1,999.66
Increased by:			
Received from State of New Jersey	A-4	\$	42,500.00
Prior Year Deductions Disallowed by Collector	A-1:A-5	<u>1,750.00</u>	<u>44,250.00</u>
Decreased by:			<u>46,249.66</u>
Deductions per Tax Duplicate:			
Senior Citizens		8,000.00	
Veterans		34,750.00	
Deductions Allowed by Collector		<u>3,000.00</u>	
		45,750.00	
Less:			
Deductions Disallowed by Collector		<u>106.16</u>	
	A-5		<u>45,643.84</u>
Balance, December 31, 2021	A	\$	<u>605.82</u>

"A-10"

SCHEDULE OF PREPAID LICENSES, FEES AND PERMITS

Balance, December 31, 2020	A	\$	7,466.00
Increased by:			
Cash Receipts	A-4	<u>7,079.00</u>	
			14,545.00
Decreased by:			
Applied to Revenue	A-8	<u>7,466.00</u>	
Balance, December 31, 2021	A	\$	<u>7,079.00</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF VARIOUS RESERVES AND PAYABLES

		Balance December <u>31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance December <u>31, 2021</u>
Reserve for:					
Master Plan		\$ 35,750.00	\$	\$	\$ 35,750.00
Revaluation Program		7,517.44			7,517.44
State Library Aid		11,020.35	6,614.00		17,634.35
Accounts Payable		140,626.55	61,862.08	53,481.00	149,007.63
Contracts Payable		<u>102,865.50</u>		<u>102,865.50</u>	<u>0.00</u>
		<u>\$ 297,779.84</u>	<u>\$ 68,476.08</u>	<u>\$ 156,346.50</u>	<u>\$ 209,909.42</u>
	<u>REF.</u>	A			A
Analysis:					
Cash Receipts	A-4		\$ 6,614.00		
Appropriation Reserves	A-13		<u>61,862.08</u>		
			<u>\$ 68,476.08</u>		
Cash Disbursements	A-4			\$ 50,696.74	
Cancelled to Operations	A-1			<u>105,649.76</u>	
				<u>\$ 156,346.50</u>	

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF INTERFUNDS - OTHER FUNDS

	REF.	Total (MEMO ONLY)	Animal Control Trust Fund	Trust Other Fund	General Capital Fund	Water Utility Operating Fund
Balance, December 31, 2020:						
Interfunds Receivable	A	\$ 118.31	\$ 0.82	\$ 117.49	\$	\$
Interfunds Payable	A	\$	\$	\$	\$	\$
Increased by:						
Miscellaneous Revenue Not Anticipated	A-2	\$ 92.56	\$ 0.30	\$ 22.12	\$ 70.14	\$
Cash Disbursements	A-4	3,495.88		3,495.88		
		<u>\$ 3,588.44</u>	<u>\$ 0.30</u>	<u>\$ 3,518.00</u>	<u>\$ 70.14</u>	<u>\$</u>
		<u>\$ 210.87</u>	<u>\$ 1.12</u>	<u>\$ 3,635.49</u>	<u>\$ 70.14</u>	<u>\$</u>
Decreased by:						
Cash Receipts	A-4	\$ 130.70	\$ 0.82	\$ 33.03	\$	\$ 96.85
Library Contribution to General Capital		51,763.58			51,763.58	
		<u>\$ 51,894.28</u>	<u>\$ 0.82</u>	<u>\$ 33.03</u>	<u>\$ 51,763.58</u>	<u>\$ 96.85</u>
Balance, December 31, 2021:						
Interfunds Receivable	A	\$ 3,602.76	\$ 0.30	\$ 3,602.46	\$	\$
Interfunds Payable	A	<u>\$ (51,790.29)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (51,693.44)</u>	<u>\$ (96.85)</u>
<u>Analysis of Net Charge/(Credit) to Operations:</u>						
Interfunds Accounts Receivable:						
Balance, December 31, 2021	Above	\$ 3,602.76				
Balance, December 31, 2020	Above	<u>118.31</u>				
Net Interfunds Advanced/(Advanced)	A-1	<u>\$ 3,484.45</u>				

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2020	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>GENERAL GOVERNMENT</b>					
Office of Business Administrator:					
Salaries and Wages	\$ 14,015.30	\$	\$ 14,015.30	\$	\$ 14,015.30
Other Expenses	23,562.27	31,512.50	55,074.77	40,207.55	14,867.22
Mayor and Council:					
Salaries and Wages	1,447.17		1,447.17		1,447.17
Other Expenses	2,506.18		2,506.18		2,506.18
Administrative and Executive (Clerk's Office):					
Salaries and Wages	4,267.98		4,267.98		4,267.98
Other Expenses	13,319.25	1,584.35	14,903.60	1,386.75	13,516.85
Financial Administration					
Salaries and Wages	20,412.38		20,412.38		20,412.38
Other Expenses	19,856.32	13,692.39	33,550.71	3,006.02	30,544.69
Audit Services					
Other Expenses	1,000.00	21,900.00	22,900.00	21,000.00	1,900.00
Central Functions:					
Other Expenses	624.45	1,324.15	4,948.60	2,600.49	2,348.11
Collection of Taxes:					
Salaries and Wages	15,937.05		15,937.05		15,937.05
Other Expenses	3,840.50		3,840.50		3,840.50
Assessment of Taxes:					
Salaries and Wages	616.18		616.18		616.18
Other Expenses	25,477.82	254.61	40,732.43	40,249.61	482.82
Legal Services and Costs:					
Other Expenses	67,908.60	4,876.25	72,784.85	25,743.75	47,041.10
Engineering Services and Costs:					
Other Expenses	19,643.00		19,643.00	3,933.75	15,709.25
Land Use Administration:					
Planning/ Zoning Board					
Salaries and Wages	1,800.00		1,800.00		1,800.00
Other Expenses	7,169.28	702.44	7,871.72	2,284.60	5,587.12
Historic Preservation Committee:					
Historic Preservation:					
Salaries and Wages	400.00		400.00		400.00
Code Enforcement:					
Code Enforcement Office					
Salaries and Wages	9,256.83		9,256.83		9,256.83
Other Expenses	14,922.38	617.59	15,540.07	948.53	14,591.54
Insurance:					
Other Insurance Premiums	20,515.48	125.00	20,640.48	1,248.00	19,392.48
Group insurance plan for employees	18,085.96		18,085.96		18,085.96
Workers Compensation	293,512.59	3,470.40	293,982.99	7,980.77	286,002.22
Payment in lieu of group insurance plan	13,276.93		13,276.93		13,276.93
Public Safety:					
Police					
Salaries and Wages	219,413.17		219,413.17		219,413.17
Other Expenses	81,728.17	143,148.00	224,676.23	143,706.17	81,170.06
Office of Emergency Management:					
Other Expenses	5,000.00		5,000.00		5,000.00
Fire:					
Salaries and Wages	572.51		572.51		572.51
Other Expenses	9,082.54	47,647.31	56,729.85	45,662.28	11,067.57
Bureau of Uniform Fire Safety:					
Fire Prevention:					
Salaries and Wages	9,270.76		9,270.76		9,270.76
Other Expenses	4,314.10	1,006.26	5,320.36	1,066.26	4,254.10
Municipal Prosecutor:					
Salaries and Wages	5,390.00		5,390.00		5,390.00
Public Works:					
Road Repair and Maintenance:					
Salaries and Wages	188,988.12		93,988.12		93,988.12
Other Expenses	29,311.95	28,627.07	137,939.02	108,445.37	29,493.65
Public Parking Lots:					
Other Expenses	1,414.30	3,075.68	4,489.98	3,338.51	1,151.47
Shade Tree Commission:	3,358.47	1,601.80	4,960.37	1,475.00	3,485.37

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2020	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Refuse Collection:					
Salaries and Wages					
Other Expenses	\$ 3,820.00	\$	\$ 3,820.00	\$	\$ 3,820.00
Public Buildings and Grounds:					
Other Expenses	17,301.38	5,036.46	22,337.84	9,893.54	12,444.30
Vehicle Maintenance:					
Other Expenses	1,983.34	4,576.60	6,559.94	4,746.63	1,813.31
Condo Reimbursement (Ch. 299 P.L. 1988):					
Other Expenses	1,853.83		1,853.83		1,853.83
Health and Human Services:					
Board of Health:					
Salaries and Wages	2,099.84		2,099.84		2,099.84
Other Expenses	4,205.40	13.50	4,218.90	13.50	4,205.40
Senior Citizens Program:					
Other Expenses	5,200.00		5,200.00		5,200.00
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	949.92		949.92		949.92
Other Expenses	31,500.00		31,500.00		31,500.00
Maintenance of Parks:					
Other Expenses	3,040.31	6,384.19	9,424.50	5,369.75	4,054.75
Utility Expenses and Bulk Purchases:					
Electricity	38,006.74		38,006.74	5,557.91	32,448.83
Street Lighting	49,909.88		49,909.88	29,921.94	13,987.94
Telephone	4,305.81	1,107.57	8,413.38	7,385.49	1,027.89
Natural Gas	8,051.27		8,051.27	2,949.62	5,101.65
Gasoline	46,946.36	4,153.54	51,099.90	7,578.92	43,520.98
Landfill/Solid Waste Disposal Costs:					
Other Expenses	73,508.22	2,285.00	75,793.22	34,761.46	41,031.76
Municipal Court:					
Salaries and Wages	41,485.06		41,485.06		41,485.06
Other Expenses	20,167.25	1,157.34	21,324.59	1,939.42	19,385.17
State Uniform Construction Code					
Construction Official					
Salaries and Wages	13,408.51		13,408.51		13,408.51
Other Expenses	9,831.38	759.10	10,590.48	759.10	9,831.38
Contingent	2,000.00		2,000.00		2,000.00
Unclassified:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	1,931.88		1,931.88		1,931.88
Contribution to Accumulated Absences Fund	2,000.00		2,000.00		2,000.00
Salary Adjustments/Seasonal Employment					
Other Expenses	10,000.00		10,000.00		10,000.00
Statutory Expenditures:					
Social Security System (O.A.S.I.)	10,046.91		10,046.91		10,046.91
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	18,142.05		18,142.05		18,142.05
Deferred Contribution Retirement Program (DCRP)	4,647.76		4,647.76		4,647.76
Maintenance of Free Public Library	52,505.28	5,905.20	58,410.48	58,410.48	
Contribution to:					
Emergency Services Volunteer Length of Service					
Award Program (LOSAP):					
Fire Department		120,750.00	120,750.00	57,500.00	63,250.00
Landfill/Solid Waste Disposal Costs:					
Reimbursement for Multi-Family Dwellings					
NJSA 40A:4-45.3kk:					
Other Expenses	10,964.80		10,964.80		10,964.80
SHARED SERVICE AGREEMENTS EXCLUDED FROM "CAPS":					
Health Services - Freehold Township	14,409.00		14,409.00		14,409.00
Animal Control - Manalapan Township	1,794.00		1,794.00		1,794.00
Information Technology Maintenance - Freehold Twp		1,728.00	1,728.00	1,728.00	
Lake Topanemus Commission - Freehold Township	9,000.00		9,000.00		9,000.00
Vehicle Maintenance:					
Other Expenses	26,953.38	6,823.54	33,776.92	10,680.66	23,096.26



BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2020	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "GAPS"</u>					
Purchase of Copy Machine PD	\$ 84.00	\$	\$ 84.00	\$	\$ 84.00
Purchase of Camera and Computer PD	80.00	103,920.00	104,000.00	103,920.00	80.00
Purchase of Tink Claw DPW	387.00		387.00		387.00
Purchase of Track Loader DPW	5,481.00		5,481.00		5,481.00
Purchase of Server & Accessories PD	3,542.26	3,308.09	6,850.35	3,308.09	3,542.26
	<u>\$ 1,719,763.81</u>	<u>\$ 573,074.19</u>	<u>\$ 2,292,838.00</u>	<u>\$ 800,707.92</u>	<u>\$ 1,492,130.08</u>

REF. A A-14 A-1

Cash Disbursements	A-4	\$ 687,082.26
Library Contribution to Geneart Capital	A-12	51,763.58
Accounts Payable	A-11	61,862.08
		<u>\$ 800,707.92</u>

"A-14"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2020	A		\$ 573,074.19
Increased by:			
Current Appropriations Charged	A-3		812,509.66
			<u>1,385,583.85</u>
Decreased by:			
Transferred to Appropriation Reserves	A-13		<u>573,074.19</u>
Balance, December 31, 2021	A		<u>\$ 812,509.66</u>

"A-15"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2020	A		\$ 78,274.75
Increased by:			
Receipts	A-4	\$ 80,451.41	
Reserve for Tax Appeals	A-18	26,657.92	
Refund Prior Year Tax Revenue	A-1	<u>451.54</u>	
			<u>107,560.87</u>
			185,835.62
Decreased by:			
Refunds	A-4	\$ 38,016.29	
Applied to Taxes Receivable	A-5	78,347.69	
Applied to Prepaid Taxes	A-16	<u>69,471.64</u>	
			<u>185,835.62</u>

"A-16"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	262,474.82
Increased by:			
Collections, 2022 Taxes	A-4	\$	252,022.88
Transfer from Tax Overpayments	A-15		<u>69,471.64</u>
			321,494.52
			<u>583,969.34</u>
Decreased by:			
Applied to Taxes Receivable	A-5		<u>262,474.82</u>
Balance, December 31, 2021	A	\$	<u><u>321,494.52</u></u>

"A-17"

SCHEDULE OF DUE TO SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

Increased by:			
Tax Levy	A-1:A-5	\$	<u>270,000.00</u>
			270,000.00
Decreased by:			
Disbursed	A-4	\$	<u><u>270,000.00</u></u>

"A-18"

SCHEDULE OF RESERVE FOR TAX APPEALS

Balance, December 31, 2020	A	\$	723,515.73
Decreased by:			
Transfer to Tax Overpayments	A-15		<u>26,657.92</u>
Balance, December 31, 2021	A	\$	<u><u>696,857.81</u></u>

"A-19"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	4,541.43
Increased by:			
County Tax	A-5	\$	2,661,916.10
County Open Space Tax	A-5		319,974.02
Due County for Added and Omitted Taxes	A-5		3,933.67
	A-1		<u>2,985,823.79</u>
			2,990,365.22
Decreased by:			
Payments	A-4		<u>2,986,431.55</u>
Balance, December 31, 2021	A	\$	<u>3,933.67</u>

"A-20"

SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020			
School Tax Payable	A	\$	653,960.00
School Tax Deferred			<u>1,474,431.07</u>
		\$	2,128,391.07
Increased By			
Levy- School Year July 1, 2021 to June 30, 2022	A-5		<u>4,136,757.00</u>
			6,265,148.07
Decreased By			
Cash Disbursed	A-4		<u>4,136,924.00</u>
Balance, December 31 2021			
School Tax Payable	A	\$	653,793.00
School Tax Deferred			<u>1,474,431.07</u>
		\$	<u>2,128,224.07</u>
2021 Liability For Reginal District High School Tax			
Tax Payable December 31, 2021		\$	653,793.00
Tax Paid			<u>4,136,924.00</u>
		\$	4,790,717.00
Less			
Tax Payable December 31,2020			<u>653,960.00</u>
Amount Charged to 2021 Operation	A-1	\$	<u>4,136,757.00</u>

"A-21"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>REF.</u>	
Increased by:		
Levy- Calendar Year 2021	A-5	\$ <u>10,709,154.00</u>
		10,709,154.00
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>10,709,154.00</u></u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY - VARIOUS

	Balance December <u>31, 2020</u>	Cash <u>Receipts</u>	Cash <u>Disbursed</u>	Balance December <u>31, 2021</u>
Division of Youth and Family				
Services - Marriage Licenses	\$ 925.00	\$ 2,278.00	\$ 2,578.00	\$ 625.00
Construction Code Fees	<u>2,787.00</u>	<u>13,425.00</u>	<u>14,876.00</u>	<u>1,336.00</u>
	<u>\$ 3,712.00</u>	<u>\$ 15,703.00</u>	<u>\$ 17,454.00</u>	<u>\$ 1,961.00</u>
<u>REF.</u>	A	A-4	A-4	A

"A-23"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF INTERFUND - FEDERAL AND STATE GRANT FUND

	<u>REF.</u>		
Balance, December 31, 2020	A		\$ 144,864.37
Increased by:			
Deposited in Current Fund:			
Grants Receivable	A-24	\$ 176,231.71	
Grants Unappropriated	A-26	636,075.97	
	A-4	812,307.68	
2021 Budget Appropriations	A-3:A-25	535,993.71	
			<u>1,348,301.39</u>
			1,493,165.76
Decreased by:			
Disbursed by Current Fund:			
Appropriated Reserves	A-4:A-25	\$ 399,957.53	
2021 Anticipated Revenue	A-2:A-24	187,189.71	
			<u>587,147.24</u>
Balance, December 31, 2021	A		\$ <u>906,018.52</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, 2020	2021 Anticipated Revenue	Cash Received	Transfer from Unappropriated Reserves	Balance December 31, 2021
State:					
Safe and Secure Communities Grant					
2020	\$ 25,000.00	\$	\$ 25,000.00	\$	\$
2021		32,400.00	18,900.00		13,500.00
Recycling Tonnage Grant		15,551.61	15,551.61		
DOT Highway Safety Grant	1,941.81				1,941.81
Body Armor Replacement Fund		2,280.10	2,280.10		
HDSRF - Colaner Property Remediation	40,951.01				40,951.01
NJDEP - Lake Topanemus Water Quality	96,000.00				96,000.00
NJDEP - Radon Kits		2,000.00	2,000.00		
DCA Neighborhood Preservation		125,000.00	112,500.00		12,500.00
Federal:					
Bulletproof Vest Program	8,147.20				8,147.20
ARPA - Library Public Improvement Computer Project		9,058.00			9,058.00
Local:					
Contribution from Private Sources:					
Police - Community Policing		900.00		900.00	
	<u>\$ 172,040.02</u>	<u>\$ 187,189.71</u>	<u>\$ 176,231.71</u>	<u>\$ 900.00</u>	<u>\$ 182,098.02</u>
<u>REF.</u>	A	A-2/A-23	A-23	A-26	A



BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>December</u> <u>31, 2020</u>	<u>Transfer from</u> <u>2021 Budget</u> <u>Appropriation</u>	<u>Expended</u>	<u>Transfer to</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>December</u> <u>31, 2021</u>
State:					
Safe and Secure Communities Program					
Match 2020	\$ 5,105.92	\$	\$ 5,105.92	\$	\$
Match 2019	712.06		712.06		
Match 2021		348,804.00	344,546.55		4,257.45
Grant 2021		32,400.00	32,400.00		
Alcohol Education and Rehabilitation Fund					
Grant 2013	112.59				112.59
Grant 2014	630.30				630.30
Grant 2015	297.67				297.67
Drunk Driving Enforcement Fund					
Grant 2015	25.31		25.31		
Grant 2016	2,857.72		1,671.48	221.00	965.24
Grant 2017	2,500.00				2,500.00
Grant 2018	2,500.00				2,500.00
Grant 2020	2,500.00				2,500.00
Clean Communities Program					
Grant 2015	14,637.57		3,159.81	451.64	11,026.12
Grant 2016	23,118.11				23,118.11
Grant 2017	19,640.29				19,640.29
Grant 2018	18,794.74				18,794.74
Grant 2019	20,905.37				20,905.37
Grant 2020	18,850.12				18,850.12

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance December 31, 2020</u>	<u>Transfer from 2021 Budget Appropriation</u>	<u>Expended</u>	<u>Transfer to Reserve for Encumbrances</u>	<u>Balance December 31, 2021</u>
Recycling Tonnage Grant					
Grant 2018	\$ 370.00	\$	\$ 125.00	\$	\$ 245.00
Grant 2019	16,293.86				16,293.86
Grant 2020	18,098.77				18,098.77
Grant 2021		15,551.61			15,551.61
Body Armor Replacement Fund					
Grant 2019	388.72		388.72		
Grant 2020	2,934.10		2,933.68	0.42	
Grant 2021		2,280.10		2,080.37	199.73
HDSRF - Colaner Property Remediation	1,404.63			1,404.63	
NJDEP - Lake Ropanemus Water Quality	96,000.00			92,302.96	3,697.04
NJDEP - Radon Kits		2,000.00	2,000.00		
DCA - Neighborhood Preservation		125,000.00			125,000.00
Federal:					
Bulletproof Vest Program					
Grant 2019	2,141.21		2,141.21		
Grant 2020	5,340.00		4,747.79	592.21	
DEA Funding Grant	872.48				872.48
ARPA - Library Public Improvement - Computer Project		9,058.00		9,058.00	

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	Balance December 31, 2020	Transfer from 2021 Budget Appropriation	Expended	Transfer to Reserve for Encumbrances	Balance December 31, 2021
Local:					
Contributions from Private Sources:					
Police - Community Policing	\$ 7,896.61	\$ 900.00	\$	\$	\$ 8,796.61
Police - Private Donation	3,000.00			3,000.00	
Bike Safety Program	500.00				500.00
Library:					
Freehold Boro Education Fundation	0.49				0.49
Appleyard Garden	1,793.62				1,793.62
Private Donation - Welemeyer	14,172.30				14,172.30
Comcast Technology	11,609.83				11,609.83
	<u>\$ 316,004.39</u>	<u>\$ 535,993.71</u>	<u>\$ 399,957.53</u>	<u>\$ 109,111.23</u>	<u>\$ 342,929.34</u>
REF.	A	A-3:A-23	A-23	A	A

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	Balance December <u>31, 2020</u>	<u>Increases</u>	Transferred to Grants <u>Receivable</u>	Balance December <u>31, 2021</u>
State:				
Clean Communities	\$	\$ 20,065.72	\$	\$ 20,065.72
Drunk Driving Enforcement Fund		2,841.23		2,841.23
Coronavirus State and Local Fiscal Recovery Funds		611,369.02		611,369.02
Local:				
Private Sources - Community Policing	<u>900.00</u>	<u>1,800.00</u>	<u>900.00</u>	<u>1,800.00</u>
	\$ <u>900.00</u>	\$ <u>636,075.97</u>	\$ <u>900.00</u>	\$ <u>636,075.97</u>
<u>REF.</u>	A	A-23	A-24	A

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND  
SCHEDULE OF CASH

	REF.	Animal Control Trust Fund	Trust Other Fund	Payroll Fund
Balance, December 31, 2020	B	\$ 3,252.52	\$ 1,639,250.77	\$ 82,710.67
Increased by Receipts:				
Reserve for Animal Control				
Trust Fund Expenditures	B-2	\$ 4,844.00	\$	\$
Due to State of New Jersey	B-3	709.80		
Various Reserves	B-5		745,303.47	
Reserve for Unemployment				
Comensation Insurance	B-6		368.68	
Interfund - Current Fund	B-4/B-7	6.78	3,753.37	
Payroll Deductions Payable	B-8			3,166,183.51
		<u>5,560.58</u>	<u>749,425.52</u>	<u>3,166,183.51</u>
		8,813.10	2,388,676.29	3,248,894.18
Decreased by Disbursements:				
Due to State of New Jersey	B-3	\$ 716.40	\$	\$
Animal Control Trust Fund				
Expenditures (R.S. 4:19-15.11)	B-2	6,036.80		
Various Reserves	B-5		490,657.41	
Reserve for Unemployment				
Comensation Insurance	B-6		18,206.82	
Interfund - Current Fund	B-4/B-7	7.30	268.40	
Payroll Deductions Payable	B-8			3,143,983.82
		<u>6,760.50</u>	<u>509,132.63</u>	<u>3,143,983.82</u>
Balance, December 31, 2021	B	\$ <u>2,052.60</u>	\$ <u>1,879,543.66</u>	\$ <u>104,910.36</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2020	B	\$	3,223.50
Increased by:			
Dog License Fees Collected		\$	3,790.00
Cat License Fees Collected			390.00
Miscellaneous Fees Collected			<u>664.00</u>
	B-1		<u>4,844.00</u>
			8,067.50
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1	\$	<u>6,036.80</u>
			<u>6,036.80</u>
Balance, December 31, 2021	B	\$	<u><u>2,030.70</u></u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2020	\$ 5,040.00
2019	<u>5,234.50</u>
	\$ <u><u>10,274.50</u></u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 28.20
Increased by:		
Cash Receipts	B-1	<u>709.80</u>
		738.00
Decreased by:		
Cash Disbursements	B-1	<u>716.40</u>
Balance, December 31, 2021	B	\$ <u>21.60</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>REF.</u>	Animal Control Trust Fund
Balance, December 31, 2020	B	\$ 0.82
Increased by:		
Cash Receipts	B-1	<u>6.78</u>
		\$ 7.60
Decreased by:		
Cash Disbursements	B-1	<u>7.30</u>
Balance, December 31, 2021	B	\$ <u>0.30</u>



**BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY**

**TRUST OTHER FUND  
SCHEDULE OF VARIOUS RESERVES**

	Balance December 31, 2020	Increased by Cash Receipts	Decreased by Cash Disbursed	Balance December 31, 2021
Tax Sale Premium	\$ 308,300.00	\$ 285,000.00	\$ 115,700.00	\$ 477,600.00
Contractor Escrow Deposits	248,464.86	104,263.21	63,448.76	289,279.31
3rd Party Liens	1,463.23	127,390.25	94,942.84	33,910.64
Street Opening Deposits	47,700.50	7,300.00	1,500.00	53,500.50
Parking Offenses Adjudication Act	5,698.76	46.00		5,744.76
Recreation Commission	60,008.86	229.06	964.63	59,273.29
Law Enforcement Trust	14,208.37	30.84		14,239.21
Elections	800.00	1,200.00		2,000.00
RDA - Disability Allies		25,000.00	10,871.32	14,128.68
Library Donations	53,038.26	3,335.61	68.44	56,305.43
Outside Police Employment	48,761.12	76,790.00	64,186.08	61,365.04
Public Defender Fees	12,016.65	967.00		12,983.65
Accumulated Absences	350,970.57		68,979.03	281,991.54
Fire Prevention Penalties	7,488.76			7,488.76
Storm Recovery	197,090.28	80,000.00	38,547.99	238,542.29
Celebration of Community Events	68,700.12	31,607.00	31,448.32	68,858.80
Contributions to Lake Topanemus	<u>36,436.61</u>	<u>2,144.50</u>		<u>38,581.11</u>
	<u>\$ 1,481,148.95</u>	<u>\$ 745,303.47</u>	<u>\$ 490,857.41</u>	<u>\$ 1,715,793.01</u>
<u>REF.</u>	<u>B</u>	<u>B-1</u>	<u>B-1</u>	<u>B</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND  
SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

	<u>REF.</u>		
Balance, December 31, 2020	B	\$	177,986.33
Increased by:			
Employee Contributions	B-8	\$	15,629.81
Interest on Investments	B-1		<u>368.68</u>
			15,998.49
		\$	193,984.82
Decreased by:			
Claims Paid	B-1		<u>18,206.82</u>
Balance, December 31, 2021	B	\$	<u>175,778.00</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND  
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 117.49
Increased by:		
Cash Receipts	B-1	<u>3,753.37</u>
		\$ <u>3,870.86</u>
Decreased by:		
Cash Disbursements	B-1	<u>268.40</u>
Balance, December 31, 2021	B	\$ <u><u>3,602.46</u></u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 82,710.67
Increased by:		
Cash Receipts	B-1	<u>3,166,183.51</u>
		\$ 3,248,894.18
Decreased by:		
Cash Disbursements	B-1	\$ 3,143,983.82
Transferred to Reserve for State Unemployment Insurance	B-6	<u>15,629.81</u>
		<u>3,159,613.63</u>
Balance, December 31, 2021	B	\$ <u>89,280.55</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 2,931,291.99
Increased by Receipts:			
Interfund - Current Fund	C	\$ 70.14	
Sidewalk Improvement Accounts			
Receivable	C-7	49,799.86	
Fund Balance	C-1	60,103.68	
Bond Anticipation Notes	C-9	8,600,000.00	
Capital Improvement Fund	C-12	210,420.00	
Reserve for RCA Funds	C-14	<u>18,802.43</u>	
			<u>8,939,196.11</u>
			\$ 11,870,488.10
Decreased by Disbursements:			
Fund Balance	C-1	\$ 100,000.00	
Improvement Authorizations	C-11	<u>6,075,524.23</u>	
			<u>6,175,524.23</u>
Balance, December 31, 2021	C		\$ <u>5,694,963.87</u>

"C-3"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
ANALYSIS OF CASH AND CASH EQUIVALENTS

Balance  
December  
31, 2021

Fund Balance	\$ 134,031.38
Interfund - Current Fund	(51,693.44)
Capital Improvement Fund	274,329.19
Grants Receivable	(1,739,658.00)
Reserve for Payment of Bonds	644,925.25
Reserve for Encumbrances	362,176.37
Reserve for RCA Funds	918,244.51
Improvement Authorizations Funded (Listed on Exhibit "C-10")	1,645,457.67
Improvement Authorizations Expenditures (Listed on Exhibit "C-5")	(32,885.84)
Reserve for Grants Receivable	889,000.00
Unexpended Proceeds of Bond Anticipation Notes	<u>2,651,036.78</u>
	<u>\$ 5,694,963.87</u>

REF. C

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 7,055,000.00
Decreased by:		
Budget Appropriation to Pay Bonds	C-8	<u>640,000.00</u>
Balance, December 31, 2021	C	\$ <u>6,415,000.00</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

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

Ordinance Number	Improvement Description	Balance December 31, 2020	2021 Authorizations	Balance December 31, 2021	Analysis of Balance, December 31, 2021		
					Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
2020/12	Various Road Improvements	\$ 752,000.00	\$	\$ 752,000.00	\$ 32,885.84	\$ 652,000.00	\$ 67,114.16
2020/14	Acquisition and Retrofitting of Real Property	4,760,000.00		4,760,000.00		4,760,000.00	
2021/1	Improvements to Library		1,778,000.00	1,778,000.00		1,359,000.00	419,000.00
2021/8	Improvements to Various Roads		1,258,000.00	1,258,000.00		1,258,000.00	
2021/9	Acquisition of Various Capital Equipment		571,000.00	571,000.00		571,000.00	
2021/20	Various Capital Projects		95,000.00	95,000.00			95,000.00
		<u>\$ 5,512,000.00</u>	<u>\$ 3,702,000.00</u>	<u>\$ 9,214,000.00</u>	<u>\$ 32,885.84</u>	<u>\$ 8,600,000.00</u>	<u>\$ 581,114.16</u>
		C	C-11;C-15	C	REF.	C-8	
			Improvement Authorizations Unfunded		C-11		\$ 3,232,150.94
			Less: Unexpended Proceeds of Bond Anticipation Notes:				
			Ordinance				
			2020/14			\$ 34,218.51	
			2021/1			1,292,718.00	
			2021/8			1,251,286.00	
			2021/9			72,814.27	
					C-3		<u>2,651,036.78</u>
					C-5		<u>\$ 581,114.16</u>



"C-6"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE

<u>Ordinance Number</u>	<u>Project</u>	<u>Grantor</u>	<u>Balance December 31, 2020</u>	<u>Increased by Grants Awarded</u>	<u>Balance December 31, 2021</u>
2019-5	Road Resurfacing, Storm Drainage and Parking Lot Improvements	NJDOT	\$ 62,500.00	\$	\$ 62,500.00
2020-12	Frances Drive	NJDOT	310,000.00		310,000.00
2021-8	Stokes Street	NJDOT		305,000.00	305,000.00
2021- 1	Library Improvement	NJ Library Construction Bond Act		889,000.00	889,000.00
2021-8	Stokes Street	Monmouth County CDBG		173,158.00	173,158.00
			<u>\$ 372,500.00</u>	<u>\$ 1,367,158.00</u>	<u>\$ 1,739,658.00</u>
		<u>REF.</u>	C		C
	Improvement Authorizations	C-11		\$ 478,158.00	
	Reserved	C		<u>889,000.00</u>	
				<u>\$ 1,367,158.00</u>	

"C-7"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF SIDEWALK IMPROVEMENT ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 82,821.44
Decreased by:		
Cash Receipts	C-2;C-14	<u>49,799.86</u>
Balance, December 31, 2021	C	\$ <u>33,021.58</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2021</u>
General Bonds of 2019	12/23/19	\$ 7,690,000.00	12/1/2022	\$ 670,000.00	5.000%		
			12/1/2023	705,000.00	5.000%		
			12/1/2024	740,000.00	5.000%		
			12/1/2025	780,000.00	5.000%		
			12/1/2026	815,000.00	5.000%		
			12/1/2027	860,000.00	5.000%		
			12/1/2028	900,000.00	5.000%		
			12/1/2029	945,000.00	5.000%	\$ 7,055,000.00	\$ 640,000.00
					\$ 7,055,000.00	\$ 640,000.00	\$ 6,415,000.00
				<u>REF.</u>	C	C-4	C

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

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>Issued for Cash</u>	<u>Balance December 31, 2021</u>
2020-12	Improvements to Various Roads	08/05/21	08/05/21	08/04/22	1.00%	\$ 652,000.00	\$ 652,000.00
2020-14	Acquisition and Retrofitting of Real Property	08/05/21	08/05/21	08/04/22	1.00%	4,760,000.00	4,760,000.00
2021-1	Renovation of Borough Library and Equipment Upgrade	08/05/21	08/05/21	08/04/22	1.00%	1,359,000.00	1,359,000.00
2021-8	Improvements to Various Roads	08/05/21	08/05/21	08/04/22	1.00%	1,258,000.00	1,258,000.00
2021-9	Acquisition of Various Capital Equipment	08/05/21	08/05/21	08/04/22	1.00%	<u>571,000.00</u>	<u>571,000.00</u>
						<u>\$ 8,600,000.00</u>	<u>\$ 8,600,000.00</u>
					<u>REF.</u>	C-2:C-15	C:C-5

"C-10"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 16,599.30
Increased by:			
Charged to Improvement Authorizations	C-11	\$ 362,176.37	
Transfer from Contracts Payable	C	<u>114,003.56</u>	
			<u>476,179.93</u>
			\$ <u>492,779.23</u>
Decreased by:			
Applied to Improvement Authorizations	C-11		<u>130,602.86</u>
Balance, December 31, 2021	C		\$ <u><u>362,176.37</u></u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2020		Increased by		Decreased by		Balance December 31, 2021	
				Funded	Unfunded	2021 Authorizations	Reserve for Encumbrances	Paid	Reserve for Encumbrances	Funded	Unfunded
19-97/ 2-99/ 29-99	Creation, Development and Implementation of a Housing Rehabilitation Program (Marlboro)	5/5/97 2/1/99 12/20/99	\$ 1,306,495.00	\$ 60,732.50	\$	\$	\$	\$	\$	\$ 60,732.50	\$
30-99/ 20-00/ 2001-16/ 2002/10 2003/16 2002/6/ 2003/20/ 2004/13/ 2005/8/ 2003/31 2016/5	Creation, Development and Implementation of a Housing Rehabilitation Program (Howell)	12/20/99 8/7/00 5/8/01 7/15/02 9/04/03 04/15/02 09/15/03 06/07/04 03/21/05 12/04/06	2,849,772.11	12,907.25						12,907.25	
2016/5	Creation, Development and Implementation of a Housing Rehabilitation Program (Freehold Township II)	06/07/04 03/21/05 12/04/06	3,390,000.00	361,635.47				5,398.90	523.90	355,712.67	
2016/5	Road Repairs and Restoration and Repaving Schiverea Avenue	05/06/16	975,000.00	32,544.85			2,939.51	9,473.39		26,010.97	
2017/7	Crosswalk Improvements, Road Design, Resurfacing, Repairs and Restoration	5/1/17	1,155,000.00	100,083.17				18,682.50		81,400.67	
2017/10	Various Capital Improvements	11/20/17	225,000.00	39,888.76			790.00		790.00	39,888.76	
2018/5	Road Resurfacing, Storm Drainage and Crosswalk Improvements	6/8/18	800,000.00				4,865.96	4,893.96			
2018/6	Various Capital Improvements and Equipments	6/15/18	240,000.00	17,680.20						17,680.20	
2019/3	Little League Lights and New Roof at Firehouse	3/4/19	250,000.00	22,076.46			13,659.79	13,659.79		22,076.46	
2019/5	Road Resurfacing, Storm Drainage Improvements and Parking Lot Improvements	5/6/19	1,260,000.00	142,727.87			80,406.65	80,382.60		142,754.12	
2019/6	Various Capital Improvements and Equipments	5/6/19	335,000.00	93,636.07						93,636.07	
2020/12	Various Road Improvements	7/20/20	1,100,000.00	310,000.00	715,250.00		27,918.75	677,054.58		310,000.00	67,114.16
2020/14	Acquisition and Retrofitting of Real Property	9/18/20	5,000,000.00	236,543.75	4,760,000.00			4,868,940.52	93,384.72		34,218.51
2021/1	Renovation to Library and Equipment Upgrade	2/19/21	1,778,000.00			1,778,000.00		53,992.00	12,290.00		1,711,718.00
2021/6	Improvements to Various Roads	6/7/21	1,800,000.00			1,800,000.00		38,508.25	32,047.75	478,158.00	1,251,286.00
2021/9	Acquisition of Various Capital Equipments	8/7/21	600,000.00			600,000.00		304,545.73	222,640.00		72,814.27
2021/20	Various Capital Project	12/8/21	100,000.00			100,000.00			500.00	4,500.00	95,000.00
				\$ 1,430,455.35	\$ 5,476,250.00	\$ 4,278,000.00	\$ 130,802.86	\$ 6,075,524.23	\$ 362,176.37	\$ 1,645,457.67	\$ 3,232,150.94
REF				C	C	C-10	C-10	C-2	C-10	C	C-C-5

Detail:

Deferred Charges to Future Taxation - Unfunded	C-5	\$ 3,706,000.00
Capital Improvement Fund	C-12	97,842.00
Grants Receivable	C-6	478,158.00
		\$ 4,278,000.00

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 161,751.19
Increased by:		
2021 Budget Appropriation	C-2	<u>210,420.00</u>
		\$ 372,171.19
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-11	<u>97,842.00</u>
Balance, December 31, 2021	C	\$ <u>274,329.19</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR RCA FUNDS

<u>Description</u>	Balance December 31, 2020	<u>Increased by:</u> Cash Receipts	Balance December 31, 2021
Freehold Borough and Township I	\$ 192,466.85	\$ 417.55	\$ 192,884.40
Freehold Borough and Township II	639,357.75	18,078.47	657,436.22
Freehold Borough and Marlboro Township	64,831.62	272.38	65,104.00
Freehold Borough and Howell Township	<u>2,785.86</u>	<u>34.03</u>	<u>2,819.89</u>
	<u>\$ 899,442.08</u>	<u>\$ 18,802.43</u>	<u>\$ 918,244.51</u>
<u>REF.</u>	C	C-2	C



BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

	<u>REF.</u>		
Balance, December 31, 2021 and 2020	C		\$ 543,361.81
Increased by:			
Sidewalk Improvement Collections Applied	C-7	\$ 49,799.86	
Library Contribution		<u>51,763.58</u>	
			<u>101,563.44</u>
			644,925.25
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-10		<u>                    </u>
Balance, December 31, 2021	C		\$ <u>644,925.25</u>
Analysis:			
Reserve for Payment of Bonds - Borough			\$ 539,161.67
Reserve for Payment of Bonds - Library			<u>105,763.58</u>
			\$ <u>644,925.25</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Increased by:			
Grants Library Capital Contribution	C-14	\$ <u>51,763.58</u>	<u>51,763.58</u>
			\$ <u>51,763.58</u>
Decreased by:			
Receipts	C-2		<u>70.14</u>
Balance, December 31, 2021 (Due From)	C	\$ <u>51,693.44</u>	<u><u>51,693.44</u></u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2020</u>	<u>2021 Authorizations</u>	<u>Notes Issued</u>	<u>Balance December 31, 2021</u>
2020/12	Various Road Improvements	\$ 752,000.00	\$	\$ 652,000.00	\$ 100,000.00
2020/14	Acquisition and Retrofitting of Real Property	4,760,000.00		4,760,000.00	
2021/1	Improvements to Library		1,778,000.00	1,359,000.00	419,000.00
2021/8	Improvements to Various Roads		1,258,000.00	1,258,000.00	
2021/9	Acquisition of Various Capital Equipment		571,000.00	571,000.00	
2021/20	Various Capital Projects		95,000.00		95,000.00
		<u>\$ 5,512,000.00</u>	<u>\$ 3,702,000.00</u>	<u>\$ 8,600,000.00</u>	<u>\$ 614,000.00</u>
			C-5	C-8	(Footnote C)

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY FUND  
SCHEDULE OF CASH AND CASH EQUIVALENTS

	REF.	Operating	Capital
Balance, December 31, 2020	D	\$ 1,241,631.12	\$ 6,088,339.91
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$ 31,917.83	\$
Reserve for Payment of Bonds	D-3	241,587.00	
Consumer Accounts Receivable	D-7	5,847,750.89	
Customer Overpayments	D-12	14,546.74	
Bond Anticipation Notes	D-18		2,600,000.00
Capital Fund Balance	D-2		18,170.88
		<u>6,135,802.46</u>	<u>2,618,170.88</u>
Decreased by Disbursements:		\$ 7,377,433.58	\$ 8,706,510.79
2021 Appropriations	D-4	\$ 5,394,257.12	\$
Prior Year Refunds	D-1	96.85	
Establish Change Fund	D	50.00	
Accounts Payable	D-8	2,382.73	
Contracts Payable	D-9	7,495.75	
Appropriation Reserves	D-10	107,673.55	
Accrued Interest Payable	D-13	439,500.00	
Interfund - Current Fund	D-14	96.85	
Reserve for Payment of Bonds	D-24		241,587.00
Improvement Authorizations	D-20		5,806,798.51
		<u>5,951,552.85</u>	<u>6,048,385.51</u>
Balance, December 31, 2021	D	\$ <u>1,425,880.73</u>	\$ <u>2,658,125.28</u>

"D-6"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH

BALANCE  
DECEMBER  
31, 2021

Reserve for Encumbrances	\$ 1,303,011.36
Capital Improvement Fund	137,901.64
Reserve for Payment of Bonds	230,389.40
Reserve for Manhole Rehabilitation	4,006.80
Interfund - Water-Sewer Utility Operating Fund	10,501.39
Fund Balance	18,733.71
Funded Improvement Authorizations (Exhibit D-20)	434,351.21
Ordinance 2018/2, 2019/8, 2020/7	410,624.47
Ordinance 2021/10	<u>108,605.30</u>
	\$ <u>2,658,125.28</u>

REF.

D

"D-7"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2020	D		\$ 389,673.13
Increased by:			
Water Rents Levied			<u>5,953,665.84</u>
			6,343,338.97
Decreased by:			
Collections	D-5	\$ 5,847,750.89	
Overpayments Applied	D-12	<u>12,364.19</u>	
	D-3		<u>5,860,115.08</u>
Balance, December 31, 2021	D		\$ <u><u>483,223.89</u></u>

"D-8"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2020	D		\$ 17,565.99
Increased by:			
Transfer from Appropriation Reserves	D-10		<u>1,049.25</u>
			18,615.24
Decreased by:			
Cash Disbursements	D-5	\$ 2,382.73	
Cancelled	D-12	<u>15,183.26</u>	
			<u>17,565.99</u>
Balance, December 31, 2021	D		\$ <u><u>1,049.25</u></u>

"D-9"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONTRACTS PAYBLE

Balance, December 31, 2020	D	\$ 11,068.25
Decreased by:		
Cash Disbursements	D-5	<u>7,495.75</u>
Balance, December 31, 2021	D	<u>\$ 3,572.50</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, 2020	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 139,240.85	\$	\$ 139,240.85	\$	\$ 139,240.85
Other Expenses	431,583.13	95,080.25	526,663.38	108,722.80	417,940.58
Manasquan River Regional Sewerage Costs	14,346.00		14,346.00		14,346.00
Interlocal- Freehold Township Water Plant	4,000.00		4,000.00		4,000.00
Contribution to:					
Social Security System (OA.S.I.)	18,588.48		18,588.48		18,588.48
Unemployment Compensation Insurance	5,000.00		5,000.00		5,000.00
	<u>\$ 612,758.46</u>	<u>\$ 95,080.25</u>	<u>\$ 707,838.71</u>	<u>\$ 108,722.80</u>	<u>\$ 599,115.91</u>
<u>REF.</u>	D	D-11			D-1



"D-11"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	
Balance, December 31, 2020	D	\$ 95,080.25
Increased by:		
Transferred from Budget Appropriations	D-4	<u>89,260.86</u>
		184,341.11
Decreased by:		
Transferred to Appropriation Reserves	D-10	<u>95,080.25</u>
Balance, December 31, 2021	D	\$ <u>89,260.86</u>

"D-12"

SCHEDULE OF CUSTOMER OVERPAYMENTS

Balance, December 31, 2020	D	\$ 12,364.19
Increased by:		
Cash Received	D-5	<u>14,546.74</u>
		26,910.93
Decreased by:		
Applied to Customer Accounts Receivable	D-7	<u>12,364.19</u>
Balance, December 31, 2021	D	\$ <u>14,546.74</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	D	\$	36,626.24
Increased by:			
Budget Appropriations	D-3	\$ 438,042.00	
Interfund - Water-Sewer Utility Capital	D-14	<u>10,501.39</u>	
			<u>448,543.39</u>
			485,169.63
Decreased by:			
Interest Paid	D-5		<u>439,500.00</u>
Balance, December 31, 2021	D	\$	<u>45,669.63</u>

Analysis of Accrued Interest December 31, 2021

<u>Principal Outstanding Dec. 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ <u>6,415,000.00</u>	Various	12/01/21	12/31/21	30 Days	\$ 35,168.24
Bond Anticipation Notes					
\$ <u>2,600,000.00</u>	1.00%	08/05/21	12/31/21	145 Days	<u>10,501.39</u>
					\$ <u>45,669.63</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>Total</u> <u>(MEMO ONLY)</u>	<u>Current</u> <u>Fund</u>	<u>Water-Sewer</u> <u>Utility</u> <u>Operating</u> <u>Fund</u>
Increased by:				
Cash Disbursed	D-5	\$ 96.85	96.85	
Accrued Interest Payable	D-13	<u>10,501.39</u>	<u>          </u>	<u>10,501.39</u>
		<u>10,598.24</u>	<u>96.85</u>	<u>10,501.39</u>
Balance December 31, 2021:				
Interfund Receivable	D	\$ 10,598.24	\$ 96.85	\$ 10,501.39
Interfund Payable	D	<u>          </u>	<u>          </u>	<u>          </u>
		<u>\$ 10,598.24</u>	<u>\$ 96.85</u>	<u>\$ 10,501.39</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>REF.</u>	
Balance December 31, 2020	D	\$ 12,712,306.58
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	D-16	<u>446,068.98</u>
Balance, December 31, 2021	D	\$ <u>13,158,375.56</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2020	2021 Authorizations	Transfer to Fixed Capital	Balance December 31, 2021
		Date	Amount				
2004-11	Acq of Varior Equip & Roof Replacement	04/19/04	\$ 100,000.00	\$ 1,632.36		\$ 1,632.36	
2006-24	Var WS Improvements & Acq of Vehicles & Equip	07/17/06	230,000.00	6,400.37		6,400.37	
2007-11	Acquisition of Vehicles, Improvements to Water Plant, Well Rehabilitation and Manhole Rehabilitation	05/21/07	350,000.00	1,586.57		1,586.57	
2008-6/2010/13	Various WS Utility Improvements	04/07/08	572,000.00	14,807.30		14,807.30	
2012-8	Imp to the Water/Sewer System & Acq. Of Various Equip.	04/02/12	530,000.00	17,936.19		17,936.19	
2013-9	Various Water-Sewer System Improvements & Acq of Equip	06/17/13	370,000.00	278,656.19		278,656.19	
2014-6/2015-12	Various Water/Sewer System Imp and Acq of Equipment	05/05/14-07/20/15	930,000.00	930,000.00			930,000.00
2015-09	Water Meter Replacement Project	05/05/14	1,500,000.00	1,500,000.00			1,500,000.00
2015-10	Various Water Utility Projects	05/01/15	200,000.00	200,000.00			200,000.00
2018-07	Acquisition of Various W/S Utility Equipment & Redevelopment	06/06/16	125,000.00	125,050.00		125,050.00	
2017-03/2019/7	Design and Construction of Well #10	02/06/17	1,650,000.00	1,650,000.00			1,650,000.00
2017-09	Preparation of a Complete Municipal Utility Geographic Information System	10/02/17	150,000.00	150,000.00			150,000.00
18-02/2019-8/2020-7	Construction of a Water Treatment Plant	Various	9,500,000.00	9,500,000.00			9,500,000.00
2018-07	Various Water-Sewer Improvements	06/18/18	210,000.00	210,000.00			210,000.00
2021-10	Various Water-Sewer Improvements and Acquisition of Equipment	06/07/21	200,000.00		200,000.00		200,000.00
				\$ 14,586,068.98	\$ 200,000.00	\$ 446,068.98	\$ 14,340,000.00
REF.				D	D-19	D-14	D

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2021</u>
Water-Sewer Utility Bonds	12/23/2019	\$ 10,050,000.00	12/01/22	\$ 350,000.00	5.000%			
			12/01/23	350,000.00	5.000%			
			12/01/24	370,000.00	5.000%			
			12/01/25	390,000.00	5.000%			
			12/01/26	410,000.00	5.000%			
			12/01/27	430,000.00	5.000%			
			12/01/28	450,000.00	5.000%			
			12/01/29	475,000.00	5.000%			
			12/01/30	500,000.00	5.000%			
			12/01/31	525,000.00	5.000%			
			12/01/32	550,000.00	5.000%			
			12/01/33	575,000.00	4.000%			
			12/01/34	600,000.00	4.000%			
			12/01/35	625,000.00	4.000%			
			12/01/36	650,000.00	4.000%			
			12/01/37	700,000.00	4.000%			
			12/01/38	700,000.00	4.000%			
			12/01/39	700,000.00	4.000%	\$ 9,700,000.00	\$ 350,000.00	\$ 9,350,000.00
						\$ 9,700,000.00	\$ 350,000.00	\$ 9,350,000.00

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY 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>Increased</u>	<u>Balance December 31, 2021</u>
2018-02	Construction of New Water Treatment Plant	08/05/21	08/05/21	08/04/22	1.00%	\$ 2,410,000.00	\$ 2,410,000.00
2021-10	Various Water-Sewer Improvements	08/05/21	08/05/21	08/04/22	1.00%	<u>190,000.00</u>	<u>190,000.00</u>
						<u>\$ 2,600,000.00</u>	<u>\$ 2,600,000.00</u>
					<u>REF.</u>	D-5:D-25	D

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2020	D		\$ 3,112.50
Increased by:			
Charged to Improvement Authorizations	D-20	\$ 1,303,011.36	
Transfer from Contracts Payable	D	<u>6,864,236.55</u>	
			<u>8,167,247.91</u>
			\$ 8,170,360.41
Decreased by:			
Transfer to Improvement Authorizations	D-20		<u>6,867,349.05</u>
Balance, December 31, 2021	D		\$ <u>1,303,011.36</u>



BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2020		Increased by:		Decreased by:			Balance December 31, 2021	
		Date	Amount	Funded	Unfunded	2021 Authorizations	Reserve for Encumbrances	Paid	Reserve for Encumbrances	Intertunds	Funded	Unfunded
2014/6, 2015/12	Various Water-Sewer System Improvements and Acquisition of Equipment	05/05/14 07/20/15	\$ 930,000.00 280,000.00	\$ 100,000.00	\$	\$	\$	\$ 15,662.50	\$	\$	\$ 81,317.50	\$
2015/9	Water Meter Replacement Project	06/04/15	1,500,000.00	23,535.88			3,112.50	4,424.48			22,223.90	
2015/10	Redevelopment of Well Nos. 8 & 9, Replacement of Water Filter No. 2, Design and Permitting of Well No. 3, and Utility Truck Acquisition	05/01/15	200,000.00	83,083.31			73,539.50	73,537.00			83,085.81	
117/3,2019/07	Design and Construction of Well #10	02/06/17	1,650,000.00	90,200.00	100,000.00		615,595.00	308,553.75	307,041.25		60,200.00	100,000.00
2017/9	Preparation of a Complete Municipal Utility Geographic Information System	10/02/17	150,000.00	21,102.04	200.00		38,454.08	418.00	38,036.08		21,102.04	200.00
2018/2, 2019/8, 2020/7	Construction of a Water Treatment Plant	03/19/18 10/07/19 03/02/20	500,000.00 6,700,000.00 2,300,000.00		617,200.00		8,138,647.97	5,400,447.78	868,079.03	9,656.69		675,624.47
2018/7	Various Water-Sewer Improvements	06/18/18	210,000.00	146,421.96	250.00						146,421.96	250.00
2021/10	Various Water-Sewer Improvements and the Acquisition of Equipment	06/07/21	200,000.00			200,000.00		735.00	89,855.00	304.70		108,605.30
				\$ 454,343.19	\$ 917,650.00	\$ 200,000.00	\$ 6,857,349.05	\$ 5,806,799.51	\$ 1,303,011.36	\$ 10,501.39	\$ 434,351.21	\$ 884,679.77
	REF.			0	0		D-19	D-5	D-19	D-13	0	0
	Deferred Charge to Future Revenue	D-25				\$ 190,000.00						
	Capital Improvement Fund	D-21				10,000.00						
		D-16				\$ 200,000.00						

"D-21"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2020	D	\$ 147,901.64
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-20;D-23	<u>10,000.00</u>
Balance, December 31, 2021	D	\$ <u>137,901.64</u>

"D-22"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2020	D		\$ 14,325,369.37
Increased by:			
Serial Bonds Paid by Operating Budget	D-17	\$ 23,559.70	
Transferred from Deferred Reserve for Amortization	D-23	<u>377,556.19</u>	
			<u>401,115.89</u>
			14,726,485.26
Decreased by:			
Transfer to Reserve for Amortization	D-23		<u>2,197,490.30</u>
Balance, December 31, 2021	D		\$ <u>12,528,994.96</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Ordinance Date	Balance December 31, 2020	Increased by		Decreased by		Balance December 31, 2021	
				Fixed Capital Authorized	Bonds Paid from Operating Budget	Transfer from Reserve for Amortization	Transfer to Reserve for Amortization		
2002-13	Various Water-Sewer Utility Improvments and Acquisition of Equipment	08/19/02	\$ 44,000.00	\$	\$	\$	\$ 44,000.00	\$	
2004-11	Acquisition of Various Equipment and Roof Replacement	04/19/04	5,000.00				5,000.00		
2006-24	Various Water-Sewer Utility Improvments and Acquisition of Vehicles and Equipment	07/17/06	11,500.00				11,500.00		
2007-11	Acquisition of Vehicles, Improvements to Water Plant, Well Rehabilitation and Manhole Rehabilitation	05/21/07	17,500.00				17,500.00		
2008-5	Various Water-Sewer Utility Improvements	04/07/08	5,000.00				5,000.00		
2008-6	Various Water-Sewer Utility Improvements	04/07/08	13,600.00				13,600.00		
2009-4	Purchase of a Pump for the Court Street Pump Station	04/20/09	30,000.00				30,000.00		
2010-13	Various Water-Sewer Utility Improvements	08/02/10	15,000.00				15,000.00		
2011-10	Rehabilitation of Filter Number 3	11/07/11	30,000.00				30,000.00		
2012-8	Improvements to the Water-Sewer System and Acquisition of Equipment	04/02/12	30,000.00				30,000.00		
2013-9	Improvements to the Water-Sewer System and Acquisition of Equipment	06/17/13	14,656.19				14,656.19		
2013-10	Engineering Services for the Emergency Generator Project	08/15/01	50,000.00				50,000.00		
14-6/2015-12	Improvements to the Water-Sewer System and Acquisition of Equipment	08/15/13	44,000.00		34,512.44	34,512.44	105,000.00	8,024.88	
2015-09	Water Meter Replacement Project	05/04/15	75,000.00		47,049.75	121,049.75		243,099.50	
2015-10	Redevelopment of Well Number 8 and 9, Replacement of Water Filter Number 2, Design and Permitting of Well Number 3 and Utility Truck Acquisition	05/04/15	10,000.00		6,059.70	22,059.70		38,119.40	
2016-7	Acquisition of Various Water-Sewer Utility Equipment and Redevelopment of Well Number 4	06/06/16	6,300.00				6,300.00		
2017-3	Design and Construction of Well Number 10	02/06/17	50,000.00		52,238.81	52,238.81		154,477.62	
2017-9	Engineering Services for GIS	10/02/17	10,000.00			139,800.00		149,800.00	
2018-2		03/19/18							
2019-8		10/07/19							
2020-7	Construction of a Water Treatment Plant	03/02/20	25,000.00		186,579.60	1,629,079.60		1,840,659.20	
2018-7	Various Water-Sewer Improvments	06/18/18	11,000.00			198,750.00		209,750.00	
2021-10	Various Water-Sewer Improvements and the Acquisition of Equipment	06/07/21		10,000.00				10,000.00	
			\$ 497,556.19	\$ 10,000.00	\$ 326,440.30	\$ 2,197,490.30	\$ 377,556.19	\$ 2,653,930.60	
			REF	D	D-19	D-17	D-24	D-25	D

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

	<u>REF.</u>	
Balance December 31, 2020	D	\$ 471,976.40
Decreased by:		
Cash Disbursements	D-5	<u>241,587.00</u>
Balance December 31, 2021	D	\$ <u>230,389.40</u>

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY FUND  
SCHEDULE OF CASH

	<u>REF.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	E	\$ 49.22	\$ 6,700.00
Increased by Receipts:			
Miscellaneous Revenue	E-2	\$ <u>14.64</u>	\$ <u>          </u>
		<u>14.64</u>	<u>          </u>
Balance, December 31, 2021	E	\$ <u><u>63.86</u></u>	\$ <u><u>6,700.00</u></u>

"E-5"

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND  
ANALYSIS OF CASH

BALANCE  
DECEMBER  
31, 2021

Reserve for Parking Improvements

\$ 6,700.00

\$ 6,700.00

REF.

E

BOROUGH OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP  
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	Balance December <u>31, 2020</u>	<u>Additions</u>	Balance December <u>31, 2021</u>
General Fixed Assets:			
Land	\$ 4,420,700.00	\$ 918,000.00	\$ 5,338,700.00
Building	2,290,300.00	3,682,000.00	5,972,300.00
Equipment	<u>7,782,001.08</u>	<u>222,089.33</u>	<u>8,004,090.41</u>
	\$ <u>14,493,001.08</u>	\$ <u>4,822,089.33</u>	\$ <u>19,315,090.41</u>
<u>REF</u>	F		F

**THIS PAGE INTENTIONALLY LEFT BLANK**



BOROUGH OF FREEHOLD

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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

	YEAR 2021		YEAR 2020	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,815,000.00	4.87%	\$ 1,715,000.00	4.78%
Miscellaneous - From Other Than Local				
Property Tax Levies	5,092,985.14	13.68%	4,880,387.00	13.59%
Collection of Delinquent Taxes and				
Tax Title Liens	687,020.84	1.85%	567,866.78	1.58%
Collection of Current Tax Levy	29,638,356.40	79.60%	28,744,901.98	80.05%
<u>TOTAL INCOME</u>	<u>\$ 37,233,362.38</u>	<u>100.00%</u>	<u>\$ 35,908,155.76</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 16,323,444.71	47.41%	\$ 16,024,397.76	47.02%
County Taxes	2,985,823.79	8.67%	2,950,997.93	8.66%
Regional High School Taxes	4,136,757.00	12.01%	4,137,725.00	12.14%
Local District School Taxes	10,709,154.00	31.10%	10,698,344.00	31.39%
Special Improvement District Taxes	270,000.00	0.78%	260,000.00	0.76%
Other Expenditures	5,685.99	0.02%	7,968.23	0.02%
<u>TOTAL EXPENDITURES</u>	<u>\$ 34,430,865.49</u>	<u>100.00%</u>	<u>\$ 34,079,432.92</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,802,496.89		\$ 1,828,722.84	
Fund Balance, January 1	<u>3,724,707.67</u>		<u>3,610,984.83</u>	
	\$ 6,527,204.56		\$ 5,439,707.67	
Less: Utilization as Anticipated Revenue	<u>1,815,000.00</u>		<u>1,715,000.00</u>	
Fund Balance, December 31	<u>\$ 4,712,204.56</u>		<u>\$ 3,724,707.67</u>	

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

	YEAR 2021		YEAR 2020	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 456,000.00	6.33%	\$ 769,963.00	10.96%
Rents	5,860,115.08	81.35%	5,670,143.62	80.69%
Miscellaneous-From Other Than Water Rents	<u>887,804.00</u>	<u>12.32%</u>	<u>587,119.19</u>	<u>8.35%</u>
<u>TOTAL INCOME</u>	<u>\$ 7,203,919.08</u>	<u>100.00%</u>	<u>\$ 7,027,225.81</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 5,489,280.00	84.61%	\$ 5,592,280.00	84.89%
Debt Service	788,042.00	12.15%	796,011.00	12.08%
Deferred Charges and Statutory Expenditures	210,265.00	3.24%	199,672.00	3.03%
Prior Year Refunds	<u>96.85</u>	<u>0.00%</u>		
<u>TOTAL EXPENDITURES</u>	<u>6,487,683.85</u>	<u>100.00%</u>	<u>6,587,963.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 716,235.23		\$ 439,262.81	
Fund Balance, January 1	<u>456,167.74</u>		<u>786,867.93</u>	
	\$ 1,172,402.97		\$ 1,226,130.74	
Less: Utilization by Water Operating Budget	<u>456,000.00</u>		<u>769,963.00</u>	
Fund Balance, December 31	<u>\$ 716,402.97</u>		<u>\$ 456,167.74</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE-PARKING UTILITY OPERATING FUND

	YEAR 2021		YEAR 2020	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Miscellaneous-From Other Than Parking Fees	\$ 25,014.64	100.00%	\$ 25,030.24	100.00%
<u>TOTAL INCOME</u>	<u>\$ 25,014.64</u>	<u>100.00%</u>	<u>\$ 25,030.24</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Deficit in Anticipated Revenues	\$ 25,000.00	100.00%	\$ 25,000.00	100.00%
<u>TOTAL EXPENDITURES</u>	<u>25,000.00</u>	<u>100.00%</u>	<u>25,000.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 14.64		\$ 30.24	
Fund Balance, January 1	<u>49.22</u>		<u>18.98</u>	
Fund Balance, December 31	<u>\$ 63.86</u>		<u>\$ 49.22</u>	

### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>2.623</u>	<u>2.662</u>	<u>2.650</u>
Apportionment of Tax Rate:			
Municipal	1.022	1.020	0.992
Municipal Library	0.034	0.034	0.034
County	0.262	0.267	0.270
Local School	0.941	0.967	0.990
Regional High School	0.364	0.374	0.364

### ASSESSED VALUATIONS:

2021	<u>\$1,137,898,000.00</u>		
2020		<u>\$1,105,879,000.00</u>	
2019			<u>\$1,083,860,600.00</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>CASH COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
2021	\$30,156,523.40	\$29,638,356.40	98.28%
2020	29,744,823.74	29,044,901.98	97.64%
2019	29,030,066.24	28,500,571.27	98.17%

### 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>
2021	22,507.93	\$497,156.98	\$519,664.91	1.72%
2020	17,185.99	688,378.97	705,564.96	2.37%
2019	73,770.68	498,343.66	572,114.34	1.97%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed value of such properties in the year of acquisition, is summarized as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$756,300.00
2020	756,300.00
2019	756,300.00

COMPARISON OF WATER-SEWER UTILITY RENTS LEVIED

<u>YEAR</u>	<u>LEVY</u>	<u>PRIOR YEAR DELINQUENT</u>	<u>CASH COLLECTIONS</u>
2021	\$5,953,665.84	\$389,673.13	\$5,860,115.08
2020	5,759,002.86	300,813.89	5,670,143.62
2019	5,463,410.58	305,833.12	5,468,429.81

EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$1,226,447,510.00
2020	1,153,639,683.00
2019	1,110,626,704.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2021	\$4,712,134.42	\$2,050,000.00
	2020	3,724,707.67	1,815,000.00
	2019	3,610,984.83	1,715,000.00
	2018	3,298,237.86	1,615,000.00
	2017	2,538,243.00	1,425,000.00
	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Water-Sewer Utility Operating Fund	2021	\$716,402.97	\$600,000.00
	2020	456,167.74	456,000.00
	2019	786,867.93	769,963.00
	2018	1,140,145.12	982,724.61
	2017	1,129,062.10	980,653.03
	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Parking Utility Operating Fund	2021	\$63.86	-0-
	2020	49.22	-0-
	2019	30.24	-0-
	2018	N/A	N/A
	2017	N/A	N/A

## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Kevin Kane	Mayor	*
Annette Jordan	Council President	*
George Schnurr	Councilman	*
Michael DiBenedetto	Councilman	*
Sharon Shutzer	Councilwoman	*
Margaret Rogers	Councilwoman	*
Adam Reich	Councilman	*
Steve Gallo	Borough Administrator	*
Traci L. DiBenedetto	Borough Clerk	*
Richard J. Gartz	Chief Financial Officer	*
Patricia Berg	Tax Collector	*
Scott Basen	Magistrate	*
Kathy Krause	Court Administrator	*
Matthew Goode	Township Attorney	*

\*All employees are covered under a \$1,000,000.00 Employees Dishonesty Blanket Coverage Bond, written by Garden State Municipal Joint Insurance Fund.

All of the Bonds were examined and appear to be properly executed.



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 (40A:11-3), except by contract or agreement.

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Temporary Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00.

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

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

Electrical Services  
Road Improvements  
Water-Sewer Chemicals

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:11-4.

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

Auditor  
Bond Counsel  
Engineering Services  
Legal Services  
Municipal Prosecutors  
Public Defender

## COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 3, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Freehold, County of Monmouth, State of New Jersey, as follows:

The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date, and 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after due date, and if a delinquency in excess of \$10,000.00 remains in arrears beyond December 31<sup>st</sup>, a penalty of 6% of the amount of the delinquency shall be charged.

Effective January 1, 2021, no interest shall be charged if payment on any tax installment is made within the ten (10) calendar days following the date upon which the installment became due.

Any payments not made in accordance with Paragraph Two of this Resolution shall be charged interest from the tax due date.

With respect to the Tax Sale Certificates, when the taxes, interest and costs shall exceed the sum of \$5,000.00, an additional sum equal to four percent (4%) of such amount to be paid shall be added to the amount to be paid, and when that sum exceeds \$10,000.00, an additional sum equal to six percent (6%) of such amount to be paid shall be added to the amount to be paid. These charges shall also apply to all existing Certificates being held by the Borough.

BE IT FURTHER RESOLVED the Borough Tax Collector is hereby authorized to cancel any property tax refunds/credits or delinquencies and utility credits or balances, of less than \$10.00.

BE IT FURTHER RESOLVED that the rate of interest to be charged for the non-payment in full of Water & Sewer charges not received within thirty (30) days of the issuance of the quarterly bill is eight percent (8%) on any amounts under \$1,500.00 and eighteen percent (18%) interest on all amounts over \$1,500.00. This interest shall be calculated per annum on the current and outstanding user charges due each billing period, and shall accrue from the date of the bills rendered.

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

## TAX TITLE LIENS

The last tax sale was held on November 5, 2021 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</u>
2021	2
2020	1
2019	2

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

## VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2021 Taxes	15
Delinquent Taxes	10
Payment of Water and Sewer Utility Rents	15
Delinquent Water and Sewer Utility Rents	10

## OTHER COMMENTS

### Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule, all interfund balances should be closed out as of the end of the year. Interfunds were not closed out as of the end of the year and some of them are of material amounts.

## OTHER COMMENTS (CONTINUED)

### Purchasing

Per N.J.A.C 5:30-5.4, the chief financial officer, or certifying officer as appropriate, is required to certify in writing to the governing body the availability, or lack thereof, of adequate funds for each contract that is pending authorization by the governing body. Said certification shall designate specifically the line-item appropriation(s) of the official budget and/or appropriation from a source other than the budget to which the contract will be properly charged; ensuring that the same funds shall not be certified as available for more than one pending contract. During the course of our audit, we noted that several contracts were awarded without the required certification.

### RECOMMENDATION

That a written certification of availability of funds be obtained from the Chief Financial Officer, or certifying officer as appropriate, prior to the award of any contract by the governing body in accordance with N.J.A.C 5:30-5.4.



