

Report of Audit

on the

Financial Statements

of the

Borough of Middlesex

in the

County of Middlesex
New Jersey

for the

Year Ended
December 31, 2021

BOROUGH OF MIDDLESEX

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BOROUGH OF MIDDLESEX

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
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YEARS ENDED DECEMBER 31, 2021 AND 2020



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Middlesex
County of Middlesex
Middlesex, New Jersey 08846

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Middlesex (the "Borough"), as of and for the year ended December 31, 2021, the related statements of operations and changes in fund balance - regulatory basis for the year 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, or the results of its operations and changes in fund balance for the year then ended or 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, the regulatory basis statement of operations and changes in fund balance for the year 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.

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Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, 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

Prior Period Financial Statements

The financial statements of the Borough as of December 31, 2020, were audited by other auditors whose report dated September 30, 2021, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America and an unmodified opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 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

August 25, 2022



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

The Honorable Mayor and Members
of the Borough Council
Borough of Middlesex
County of Middlesex
Middlesex, New Jersey 08846

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 Middlesex, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated August 12, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Middlesex prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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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 Middlesex'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, there were instances of noncompliance which is discussed in Part II, General Comments and Recommendations Section of the audit report.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 25, 2022

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CURRENT FUND

BOROUGH OF MIDDLESEX

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Current Fund: | | | |
| Cash | A-4 | \$ 5,827,688.96 | \$ 5,306,241.41 |
| Cash-Change Fund | A-5 | 500.00 | 500.00 |
| Due State of NJ-Senior Citizen and Veteran Deductions | A-12 | 54,050.89 | 46,333.08 |
| | | <u>\$ 5,882,239.85</u> | <u>\$ 5,353,074.49</u> |
| Receivables and Other Assets With Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-6 | \$ 521,991.88 | \$ 553,291.95 |
| Tax Title Liens | A-7 | 87,720.06 | 415,884.70 |
| Property Acquired for Taxes | A | 1,423,139.00 | 1,423,139.00 |
| Sewer Flow Charges Receivable | A-8 | 33,195.41 | 23,133.38 |
| Revenue Accounts Receivable | A-9 | 7,057.66 | 5,006.02 |
| Interfunds Receivable | A-10 | 232,455.99 | 297,781.62 |
| | A | <u>\$ 2,305,560.00</u> | <u>\$ 2,718,236.67</u> |
| | | <u>\$ 8,187,799.85</u> | <u>\$ 8,071,311.16</u> |
| Grant Fund: | | | |
| Cash | A-4 | \$ 544,550.88 | \$ 888,891.61 |
| Grant Aid Receivable | A-19 | 889,954.13 | 888,891.61 |
| Interfunds Receivable | A-22 | 27,236.52 | 23,775.00 |
| | | <u>\$ 1,461,741.53</u> | <u>\$ 912,666.61</u> |
| | A | <u>\$ 9,649,541.38</u> | <u>\$ 8,983,977.77</u> |

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

BOROUGH OF MIDDLESEX

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Current Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-11 | \$ 1,471,660.57 | \$ 1,341,045.60 |
| Encumbrances | A-17 | 188,886.03 | 221,696.89 |
| Local School Taxes Payable | A-14 | 848,188.00 | 722,740.00 |
| Prepaid Taxes | A-15 | 216,614.57 | 334,690.95 |
| Tax Overpayments | A-16 | 153,751.55 | 136,028.82 |
| Various Accounts Payable | A-18 | 113,357.47 | 123,000.47 |
| Various Reserve | A-18 | 65,716.54 | 47,786.52 |
| Interfunds Payable | A-10 | 82,780.18 | 97,248.68 |
| | | <u>\$ 3,140,954.91</u> | <u>\$ 3,024,237.93</u> |
| Reserve for Receivables and Other Assets | A | 2,305,560.00 | 2,718,236.67 |
| Fund Balance | A-1 | 2,741,284.94 | 2,328,836.56 |
| | | <u>\$ 8,187,799.85</u> | <u>\$ 8,071,311.16</u> |
| Grant Fund: | | | |
| Grants-Appropriated | A-20 | \$ 859,758.38 | \$ 777,963.11 |
| Grants-Unappropriated | A-21 | 594,710.39 | |
| Encumbrances Payable | A-20 | 7,272.76 | 63,600.63 |
| Interfunds Payable | A-22 | | 71,102.87 |
| | | <u>\$ 1,461,741.53</u> | <u>\$ 912,666.61</u> |
| | A | <u>\$ 9,649,541.38</u> | <u>\$ 8,983,977.77</u> |

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

BOROUGH OF MIDDLESEX

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2021</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2020</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 1,400,000.00 | \$ 1,100,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 5,231,960.83 | 5,934,806.28 |
| Receipts From Delinquent Taxes | A-2 | 547,348.94 | 600,695.74 |
| Receipts From Current Taxes | A-2 | 46,885,651.87 | 45,808,928.24 |
| Non-Budget Revenue | A-2 | 385,705.21 | 227,180.30 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-11 | 1,033,936.88 | 848,060.18 |
| Statutory Animal Control Excess | A-10 | 5,641.74 | |
| Interfunds Returned | A-10 | 297,781.62 | |
| <u>TOTAL INCOME</u> | | <u>\$ 55,788,027.09</u> | <u>\$ 54,519,670.74</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Authorizations: | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | \$ 7,387,409.00 | \$ 6,662,023.00 |
| Other Expenses | A-3 | 8,763,800.00 | 10,839,438.04 |
| Municipal Debt Service | A-3 | 1,959,601.03 | 2,069,513.95 |
| Capital Improvement Fund | A-3 | 80,000.00 | 80,000.00 |
| Public and Private Programs Offset by Revenues | A-3 | 157,024.20 | 237,565.89 |
| Deferred Charges and Statutory Expenditures | A-3 | 1,903,250.00 | |
| County Taxes | A-13 | 6,795,477.67 | 6,026,740.39 |
| Local District School Tax | A-14 | 26,684,052.00 | 26,438,319.00 |
| Interfunds Advanced | A-10 | 232,455.99 | 235,149.38 |
| Refund of Prior Year Revenue | A-4 | 12,508.82 | |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 53,975,578.71</u> | <u>\$ 52,588,749.65</u> |
| Excess in Revenue | | \$ 1,812,448.38 | \$ 1,930,921.09 |
| Fund Balance, January 1 | A | <u>2,328,836.56</u> | <u>1,497,915.47</u> |
| | | \$ 4,141,284.94 | \$ 3,428,836.56 |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | A-1:A-2 | <u>1,400,000.00</u> | <u>1,100,000.00</u> |
| Fund Balance, December 31 | A | <u>\$ 2,741,284.94</u> | <u>\$ 2,328,836.56</u> |

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

BOROUGH OF MIDDLESEX

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | REF. | BUDGET | | REALIZED | EXCESS OR (DEFICIT) |
|--|---------|------------------|---------------|------------------|---------------------------|
| | | ADOPTED | NJSA 40A:4-87 | | |
| Fund Balance Anticipated | A-1 | \$ 1,400,000.00 | | \$ 1,400,000.00 | |
| Miscellaneous Revenues: | | | | | |
| Alcoholic Beverage Licenses | A-9 | \$ 13,510.00 | | \$ 13,861.80 | \$ 351.80 |
| Other Licenses | A-9 | 31,650.00 | | 35,182.00 | 3,532.00 |
| Fees and Permits: | | | | | |
| Construction Code Official | A-9 | 750,000.00 | | 368,618.00 | (381,382.00) |
| Other | A-9 | 6,000.00 | | 7,772.22 | 1,772.22 |
| Municipal Court - Fines and Costs | A-9 | 232,700.00 | | 87,592.20 | (145,107.80) |
| Interest and Costs on Taxes | A-9 | 162,000.00 | | 134,739.85 | (27,260.15) |
| Interest on Investments and Deposits | A-2 | 71,000.00 | | 56,837.48 | (14,162.52) |
| Cable Franchise Fees | A-9 | 89,450.17 | | 89,450.17 | |
| Sewer Rents Receivable | A-8 | 982,000.00 | | 957,366.54 | (24,633.46) |
| Payment in Lieu of Taxes - Presbyterian Homes | A-9 | 57,600.00 | | 56,100.21 | (1,499.79) |
| Payment in Lieu of Taxes - 150 Lofts, LLC | A-9 | 319,972.00 | | 879,993.25 | 560,021.25 |
| Host Community Benefit Funds | A-9 | 67,000.00 | | 67,827.03 | 827.03 |
| Consolidated Municipal Property Tax Relief Aid | A-9 | 14,397.00 | | 14,397.00 | |
| Energy Receipts Tax | A-9 | 1,765,417.00 | | 1,765,417.00 | |
| Body Armor Replacement Fund - Federal | A-10 | 4,447.58 | | 4,447.58 | |
| Body Armor Replacement Fund - State of New Jersey | A-10 | 2,280.10 | | 2,280.10 | |
| Clean Communities | A-10 | | 28,014.86 | 28,014.86 | |
| CDBG - County HUD Funds | A-10 | 63,854.00 | | 63,854.00 | |
| Drive Sober or Get Pulled Over Year End Holiday Crackdown | A-10 | | 6,000.00 | 6,000.00 | |
| Drunk Driving Enforcement Fund | A-10 | 6,268.76 | | 6,268.76 | |
| Municipal Alliance on Alcoholism & Drug Abuse | A-10 | 7,978.00 | | 7,978.00 | |
| Older Americans Act - Information Assistance | A-10 | 6,500.00 | | 6,500.00 | |
| Older Americans Act - Transportation Assistance | A-10 | 10,000.00 | | 10,000.00 | |
| Recycling Tonnage Grant | A-10 | 19,686.40 | | 19,686.40 | |
| Payment in Lieu of Taxes - Midmarket Urban Renewal | A-9 | 263,314.11 | | 325,087.47 | 61,773.36 |
| General Capital Fund Balance | A-9 | 216,688.91 | | 216,688.91 | |
| <u>Sub-Total Miscellaneous Revenues</u> | A-1 | \$ 5,163,714.03 | \$ 34,014.86 | \$ 5,231,960.83 | \$ 34,231.94 |
| Receipts From Delinquent Taxes | A-1 | \$ 525,000.00 | | \$ 547,348.94 | \$ 22,348.94 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | | |
| Local Tax for Municipal Purposes | A-6:A-2 | \$ 13,334,453.56 | | \$ 13,610,663.18 | \$ 276,209.62 |
| Minimum Library Tax | A-6:A-2 | 570,459.02 | | 570,459.02 | |
| | | 13,904,912.58 | | 14,181,122.20 | 276,209.62 |
| <u>Budget Totals</u> | | \$ 20,993,626.61 | \$ 34,014.86 | \$ 21,360,431.97 | \$ 332,790.50 |
| Non-Budget Revenues | A-1:A-2 | | | 385,705.21 | 385,705.21 |
| | | \$ 20,993,626.61 | \$ 34,014.86 | \$ 21,746,137.18 | \$ 718,495.71 |
| | REF. | A-3 | A-3 | | |

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

BOROUGH OF MIDDLESEX

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | <u>REF.</u> | | |
|--|-------------|----|-----------------------------|
| <u>ANALYSIS OF REALIZED REVENUES</u> | | | |
| Allocation of Current Tax Collections: | | | |
| Revenue From Collections | A-1:A-6 | \$ | 46,885,651.87 |
| Allocated to: | | | |
| Local District School Taxes | A-6 | \$ | 26,684,052.00 |
| County Taxes | A-6 | | <u>6,795,477.67</u> |
| | | | <u>33,479,529.67</u> |
| Balance for Support of Municipal Budget Appropriations | | \$ | 13,406,122.20 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | | <u>775,000.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | \$ | <u><u>14,181,122.20</u></u> |
| | | | |
| Interest on Investments and Deposits | | | |
| Cash Receipts | A-9 | \$ | 55,388.62 |
| Due from Trust Assessment Fund | A-10 | | 72.90 |
| Due from Payroll Trust | A-10 | | <u>1,375.96</u> |
| | A-2 | \$ | <u><u>56,837.48</u></u> |
| | | | |
| <u>ANALYSIS OF NON-BUDGET REVENUE</u> | | | |
| Duplicate Tax Bill Fees | | \$ | 735.00 |
| Outstanding Checks Canceled | | | 3,346.59 |
| Library Health Contributions | | | 42,514.32 |
| Sale of Municipal Assets | | | 282.00 |
| Property Tax Lists | | | 450.00 |
| Outside Police Admin Fees | | | 27,322.50 |
| Property Maintenance Admin Fees | | | 1,450.00 |
| Abandoned Property Registration | | | 21,500.00 |
| Landlord Registration | | | 2,350.00 |
| Bulk Ticket & Pickups | | | 200.00 |
| PILOT - RG Middlesex Urban Renewal, LLC | | | 169,750.00 |
| PILOT - The View at 242 Lincoln Blvd | | | 22,652.73 |
| CARES Act | | | 24,777.01 |
| Homestead Rebate Mail Reimbursement | | | 568.80 |
| Insurance Reimbursements | | | 31,645.00 |
| Senior Citizens' and Veterans' Administrative Fee | | | 1,728.73 |
| Miscellaneous | | | <u>34,432.53</u> |
| | A-2:A-4 | \$ | <u><u>385,705.21</u></u> |

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

BOROUGH OF MIDDLESEX

"A-3"
SHEET #1

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>UNEXPENDED BALANCE CANCELED</u> |
|---|-----------------------|--------------------------------------|----------------------------|-----------------|--|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | |
| <u>OPERATIONS WITHIN "CAPS"</u> | | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | |
| General Administration: | | | | | |
| Salaries and Wages | \$ 123,500.00 | \$ 124,160.00 | \$ 124,155.58 | \$ 4.42 | \$ |
| Other Expenses | 3,850.00 | 3,850.00 | 978.30 | 2,871.70 | |
| Postage for All Departments | | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 21,957.86 | 3,042.14 | |
| Printing and Advertising | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 7,406.46 | 2,593.54 | |
| Mayor and Council: | | | | | |
| Salaries and Wages | 8,800.00 | 8,950.00 | 8,933.17 | 16.83 | |
| Other Expenses | 7,000.00 | 7,000.00 | 4,130.85 | 2,869.15 | |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 171,000.00 | 171,000.00 | 170,321.07 | 678.93 | |
| Other Expenses | 11,550.00 | 11,550.00 | 10,829.49 | 720.51 | |
| Elections | 10,000.00 | 10,000.00 | 9,878.09 | 121.91 | |
| Financial Administration: | | | | | |
| Salaries and Wages | 115,000.00 | 115,000.00 | 113,727.81 | 1,272.19 | |
| Other Expenses | 53,500.00 | 53,500.00 | 43,122.13 | 10,377.87 | |
| Audit | 45,000.00 | 45,000.00 | 6,000.00 | 39,000.00 | |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 27,500.00 | 28,900.00 | 28,834.86 | 65.14 | |
| Other Expenses | 3,700.00 | 3,700.00 | 3,658.37 | 41.63 | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 64,500.00 | 64,500.00 | 64,218.29 | 281.71 | |
| Other Expenses | 7,150.00 | 7,150.00 | 4,815.79 | 2,334.21 | |
| Legal Services and Costs: | | | | | |
| Other Expenses | 175,000.00 | 185,000.00 | 158,144.00 | 26,856.00 | |
| Computer Data Services | | | | | |
| Other Expenses | 249,500.00 | 249,500.00 | 216,137.25 | 33,362.75 | |
| Engineering Services and Costs: | | | | | |
| Other Expenses | 97,000.00 | 82,000.00 | 50,893.25 | 31,106.75 | |
| Environmental Legal & Engineering Services: | | | | | |
| Other Expenses | 10,000.00 | 15,000.00 | 13,020.69 | 1,979.31 | |

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

BOROUGH OF MIDDLESEX
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | APPROPRIATIONS | | BUDGET AFTER MODIFICATION | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--------------------------------|----------------|------------------------------|------------------------------|--------------------|----------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | PAID OR CHARGED | RESERVED | |
| Purchasing Agent: | \$ | 2,000.00 | \$ | 2,000.00 | \$ | 912.27 |
| Other Expenses | | | | | | |
| Joint Land Use Board: | | 6,000.00 | | 6,000.00 | | 2,000.00 |
| Salaries and Wages | | 25,750.00 | | 25,750.00 | | 17,462.92 |
| Other Expenses | | | | | | |
| Code Enforcement | | 62,500.00 | | 62,500.00 | | 15,685.44 |
| Salaries and Wages | | 21,400.00 | | 21,400.00 | | 17,301.13 |
| Other Expenses | | | | | | |
| <u>PUBLIC SAFETY</u> | | | | | | |
| Police: | | | | | | |
| Salaries and Wages | 3,900,000.00 | 3,900,000.00 | | 3,744,530.97 | | 155,469.03 |
| Other Expenses | 174,050.00 | 174,050.00 | | 146,072.83 | | 27,977.17 |
| Juvenile Conference Committee: | | | | | | |
| Salaries and Wages | 2,135.00 | 2,135.00 | | 2,134.82 | | 0.18 |
| Other Expenses | 250.00 | 250.00 | | | | 250.00 |
| Fire Department: | | | | | | |
| Other Expenses | 144,800.00 | 144,800.00 | | 124,533.93 | | 20,266.07 |
| First Aid Organization | | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | | 10,000.00 | | 10,000.00 |
| Emergency Management Service: | | | | | | |
| Salaries and Wages | 5,000.00 | 5,000.00 | | 5,000.00 | | |
| Other Expenses | 8,500.00 | 8,500.00 | | 4,216.87 | | 4,283.13 |
| Public Defender: | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | | 7,675.00 | | 7,325.00 |
| Fire Hydrant Service | | | | | | |
| Other Expenses | 205,000.00 | 205,000.00 | | 187,258.31 | | 17,741.69 |
| Municipal Prosecutor | | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | | 18,333.26 | | 1,666.74 |
| Municipal Court: | | | | | | |
| Salaries and Wages | 154,500.00 | 154,500.00 | | 142,982.51 | | 11,517.49 |
| Other Expenses | 8,000.00 | 8,000.00 | | 4,718.97 | | 3,281.03 |

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

BOROUGH OF MIDDLESEX

"A-3"
SHEET #3

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | <u>APPROPRIATIONS</u> | | <u>BUDGET AFTER MODIFICATION</u> | <u>EXPENDED</u> | | <u>UNEXPENDED BALANCE CANCELED</u> |
|---|-----------------------|----|--------------------------------------|----------------------------|-----------------|--|
| | <u>BUDGET</u> | | | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | |
| <u>PUBLIC WORKS</u> | | | | | | |
| Streets Department: | | | | | | |
| Salaries and Wages | \$ 781,000.00 | \$ | 796,000.00 | \$ 762,431.65 | \$ 33,568.35 | \$ |
| Other Expenses | 113,350.00 | | 118,350.00 | 116,249.08 | 2,100.92 | |
| Garbage and Trash Removal: | | | | | | |
| Salaries and Wages | 431,000.00 | | 443,000.00 | 431,933.99 | 11,066.01 | |
| Other Expenses | 40,500.00 | | 40,500.00 | 29,021.66 | 11,478.34 | |
| Solid Waste Collection: | | | | | | |
| Salaries and Wages | 145,000.00 | | 147,000.00 | 142,257.93 | 4,742.07 | |
| Building and Grounds: | | | | | | |
| Salaries and Wages | 25,000.00 | | 25,000.00 | 24,902.64 | 97.36 | |
| Other Expenses | 110,000.00 | | 110,000.00 | 83,464.97 | 26,535.03 | |
| Community Services Act: | | | | | | |
| Other Expenses | 43,000.00 | | 43,000.00 | 42,775.72 | 224.28 | |
| Shade Tree Commission: | | | | | | |
| Salaries and Wages | 2,600.00 | | 2,600.00 | 2,561.62 | 38.38 | |
| Other Expenses | 38,000.00 | | 48,000.00 | 47,960.00 | 40.00 | |
| Rental of Rescue Squad Building: | | | | | | |
| Other Expenses | 7,200.00 | | 7,200.00 | 7,200.00 | | |
| <u>HEALTH AND HUMAN SERVICES</u> | | | | | | |
| Board of Health: | | | | | | |
| Other Expenses | 72,260.00 | | 72,260.00 | 72,105.55 | 154.45 | |
| Senior Nutrition Program: | | | | | | |
| Salaries and Wages | 7,500.00 | | 7,500.00 | 3,283.00 | 4,217.00 | |
| Animal Control Services: | | | | | | |
| Other Expenses | 30,000.00 | | 30,000.00 | 7,000.00 | 23,000.00 | |
| Title III Senior Medical Transportation: | | | | | | |
| Salaries and Wages | 11,000.00 | | 11,000.00 | 4,783.00 | 6,217.00 | |
| Title III Information & assistance Program: | | | | | | |
| Salaries and Wages | 39,000.00 | | 39,000.00 | 29,441.38 | 9,558.62 | |

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

BOROUGH OF MIDDLESEX
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--|----------------|------------------------------|--------------------|--------------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| PARKS AND RECREATION | | | | | |
| Parks & Playgrounds: | | | | | |
| Salaries and Wages | \$ 515,500.00 | \$ 515,500.00 | \$ 488,200.73 | \$ 27,299.27 | \$ |
| Other Expenses | 55,850.00 | 55,850.00 | 55,499.37 | 350.63 | |
| Housing and Community Advisory Board: | | | | | |
| Salaries and Wages | 500.00 | 500.00 | 200.00 | 300.00 | |
| Other Expenses | 100.00 | 100.00 | | 100.00 | |
| Beautification Committee | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 206.93 | 793.07 | |
| Multi-Family Solid Waste Collection | | | | | |
| Other Expenses | 30,000.00 | 30,000.00 | 5,400.00 | 24,600.00 | |
| Recreation Service & Programs | | | | | |
| Salaries and Wages | 79,000.00 | 69,000.00 | 58,805.35 | 10,194.65 | |
| Other Expenses | 15,400.00 | 15,400.00 | 10,043.33 | 5,356.67 | |
| Senior Bus Transportation: | | | | | |
| Salaries and Wages | 20,000.00 | 10,000.00 | 3,150.00 | 6,850.00 | |
| Other Expenses | 5,500.00 | 5,500.00 | 2,028.25 | 3,471.75 | |
| Senior Citizen Coordinator: | | | | | |
| Salaries and Wages | 65,000.00 | 65,000.00 | 63,016.16 | 1,983.84 | |
| Other Expenses | 11,500.00 | 11,500.00 | 5,035.95 | 6,464.05 | |
| STATE UNIFORM CONSTRUCTION CODE | | | | | |
| Construction Code Official: | | | | | |
| Salaries and Wages | 190,500.00 | 190,500.00 | 183,274.55 | 7,225.45 | |
| Other Expenses | 5,700.00 | 5,700.00 | 3,775.25 | 1,924.75 | |

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

BOROUGH OF MIDDLESEX

"A-3"
SHEET #5

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>UNEXPENDED BALANCE CANCELED</u> |
|--|-----------------------|--------------------------------------|----------------------------|-----------------|--|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | |
| INSURANCE | | | | | |
| Temporary Disability Insurance | \$ 30,000.00 | \$ 30,000.00 | \$ 26,265.18 | \$ 3,734.82 | \$ |
| Long Term Disability Insurance | 20,000.00 | 20,000.00 | 17,932.42 | 2,067.58 | |
| General Liability Insurance | 260,000.00 | 260,000.00 | 258,513.46 | 1,486.54 | |
| Workmen's Compensation | 175,000.00 | 175,000.00 | 171,047.11 | 3,952.89 | |
| Employee Group Insurance | 2,400,000.00 | 2,253,790.00 | 2,057,200.51 | 196,589.49 | |
| Health Insurance Waiver | | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 19,843.81 | 5,156.19 | |
| Flood Plain Management | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 229.50 | 14,770.50 | |
| Utility Expenses & Purchases: | | | | | |
| Electricity | 175,000.00 | 205,000.00 | 164,024.42 | 40,975.58 | |
| Street Lighting | 170,000.00 | 170,000.00 | 145,426.13 | 24,573.87 | |
| Telephones | 70,000.00 | 70,000.00 | 59,745.58 | 10,254.42 | |
| Water | 30,000.00 | 30,000.00 | 14,165.86 | 15,834.14 | |
| Natural Gas | 30,000.00 | 30,000.00 | 18,385.29 | 11,614.71 | |
| Fuel Oil | 65,000.00 | 65,000.00 | 33,209.70 | 31,790.30 | |
| Gasoline | 70,000.00 | 70,000.00 | 70,000.00 | | |
| Sewerage Processing & Disposal: | | | | | |
| Salaries and Wages | 76,500.00 | 86,500.00 | 83,605.20 | 2,894.80 | |
| Other Expenses | 31,150.00 | 31,150.00 | 13,779.88 | 17,370.12 | |
| LANDFILL/SOLID WASTE DISPOSAL COSTS | | | | | |
| Other Expenses | 400,000.00 | 475,000.00 | 441,608.20 | 33,391.80 | |

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

BOROUGH OF MIDDLESEX

"A-3"
SHEET #6

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>UNEXPENDED BALANCE CANCELED</u> |
|--|-----------------------|--------------------------------------|----------------------------|-----------------|--|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | |
| <u>UNCLASSIFIED</u> | | | | | |
| Celebration of Public Events: | | | | | |
| Other Expenses | \$ 10,500.00 | \$ 10,500.00 | \$ 4,921.53 | \$ 5,578.47 | \$ |
| Accumulated Sick Leave Compensation | | | | | |
| Salaries and Wages | 50,000.00 | 50,000.00 | 50,000.00 | | |
| <u>TOTAL OPERATIONS WITHIN "CAPS"</u> | 12,988,545.00 | 12,983,545.00 | 11,858,820.86 | 1,124,724.14 | |
| Contingent | 20,000.00 | 20,000.00 | 12,187.40 | 7,812.60 | |
| <u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u> | 13,008,545.00 | 13,003,545.00 | 11,871,008.26 | 1,132,536.74 | |
| Detail: | | | | | |
| Salaries and Wages | 7,079,535.00 | 7,100,745.00 | 6,787,500.84 | 313,244.16 | |
| Other Expenses | 5,929,010.00 | 5,902,800.00 | 5,083,507.42 | 819,292.58 | |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u> | | | | | |
| Statutory Expenditures: | | | | | |
| Social Security System (O.A.S.I.) | 320,000.00 | 325,000.00 | 314,877.07 | 10,122.93 | |
| Contribution to: | | | | | |
| Public Employee's Retirement System | 450,000.00 | 450,000.00 | 447,136.00 | 2,864.00 | |
| Police and Firemen's Retirement Fund | 1,115,000.00 | 1,115,000.00 | 1,112,286.01 | 2,713.99 | |
| Pension and Firemen's Widow | 1,250.00 | 1,250.00 | 1,250.00 | | |
| Defined Contribution Retirement Plan | 12,000.00 | 12,000.00 | 10,085.38 | 1,914.62 | |
| <u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u> | 1,898,250.00 | 1,903,250.00 | 1,885,634.46 | 17,615.54 | |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u> | 14,906,795.00 | 14,906,795.00 | 13,756,642.72 | 1,150,152.28 | |

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

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | APPROPRIATIONS | | BUDGET AFTER MODIFICATION | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|--|---------------------|------------------------------|------------------------------|--------------------|----------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | PAID OR CHARGED | RESERVED | |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | | |
| Maintenance of Free Public Library | \$ 590,000.00 | \$ 590,000.00 | \$ 590,000.00 | \$ 590,000.00 | \$ | |
| MCUA - Sewer Authority - Contractual | 1,500,000.00 | 1,500,000.00 | 1,450,654.84 | 49,345.16 | | |
| Piscataway Sewerage Authority - Share of Costs | 400,000.00 | 400,000.00 | 253,352.87 | 146,647.13 | | |
| LOSAP | 100,000.00 | 100,000.00 | | 100,000.00 | | |
| Stormwater Pollution Programs: | | | | | | |
| NJPDES/Stormwater Permit | 286,664.00 | 286,664.00 | 286,664.00 | | | |
| Salaries and Wages | 6,000.00 | 6,000.00 | 3,000.00 | 3,000.00 | | |
| Other Expenses | | | | | | |
| | 265,000.00 | 265,000.00 | 242,484.00 | 22,516.00 | | |
| SHARED SERVICE AGREEMENTS | | | | | | |
| County Curbside Collection Program: | | | | | | |
| Other Expenses | | | | | | |
| | | | | | | |
| PUBLIC AND PRIVATE PROGRAMS | | | | | | |
| OFF-SET BY REVENUES | | | | | | |
| Recycling Tonnage Grant | 19,686.40 | 19,686.40 | 19,686.40 | | | |
| Clean Communities Program (40A.4-87 \$28,014.86) | | 28,014.86 | 28,014.86 | | | |
| CDBG | 63,854.00 | 63,854.00 | 63,854.00 | | | |
| Drive Sober or Get Pulled Over Year End | | 6,000.00 | 6,000.00 | | | |
| Holiday Crackdown (40A.4-87 \$6,000.00) | 7,978.00 | 7,978.00 | 7,978.00 | | | |
| Municipal Alliance on Alcohol & Drug Abuse | 1,994.50 | 1,994.50 | 1,994.50 | | | |
| Municipal Alliance on Alcohol & Drug Abuse - Match | 4,447.58 | 4,447.58 | 4,447.58 | | | |
| Body Armor Grant - Federal | 2,280.10 | 2,280.10 | 2,280.10 | | | |
| Body Armor Grant - State | 6,268.76 | 6,268.76 | 6,268.76 | | | |
| Drunk Driving Enforcement Fund | | | | | | |
| Older Americans Act | 16,500.00 | 16,500.00 | 16,500.00 | | | |
| | | | | | | |
| TOTAL OPERATIONS EXCLUDED FROM "CAPS" | 3,270,673.34 | 3,304,688.20 | 2,983,179.91 | 321,508.29 | | |
| CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS" | | | | | | |
| Capital Improvement Fund | 80,000.00 | 80,000.00 | 80,000.00 | | | |
| | | | | | | |
| TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS" | 80,000.00 | 80,000.00 | 80,000.00 | | | |

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

BOROUGH OF MIDDLESEX
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | APPROPRIATIONS | | BUDGET AFTER MODIFICATION | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|---|-------------------------|------------------------------|------------------------------|------------------------|----------|-----------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | PAID OR CHARGED | RESERVED | |
| <u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u> | | | | | | |
| Payment of Bond Principal | \$ 1,046,472.00 | \$ 1,046,472.00 | \$ 1,046,472.00 | \$ | | |
| Payment of Bond Anticipation Notes and Capital Notes | 160,000.00 | 160,000.00 | 160,000.00 | | | |
| Interest on Bonds | 205,075.00 | 205,075.00 | 205,075.00 | | | |
| Interest on Notes | 62,250.00 | 62,250.00 | 62,229.98 | | | 20.02 |
| Green Trust Loan | 12,997.00 | 12,997.00 | 12,996.29 | | | 0.71 |
| NJEIT Loan | 95,750.00 | 95,750.00 | 94,213.49 | | | 1,536.51 |
| MCIA Loan | 230,600.00 | 230,600.00 | 230,600.00 | | | |
| Fire Truck | 148,014.27 | 148,014.27 | 148,014.27 | | | |
| <u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u> | <u>1,961,158.27</u> | <u>1,961,158.27</u> | <u>1,959,601.03</u> | | | <u>1,557.24</u> |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u> | <u>5,311,831.61</u> | <u>5,345,846.47</u> | <u>5,022,780.94</u> | <u>321,508.29</u> | | <u>1,557.24</u> |
| SUB-TOTAL GENERAL APPROPRIATIONS | 20,218,626.61 | 20,252,641.47 | 18,779,423.66 | 1,471,660.57 | | 1,557.24 |
| RESERVE FOR UNCOLLECTED TAXES | 775,000.00 | 775,000.00 | 775,000.00 | | | |
| <u>TOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 20,993,626.61</u> | <u>\$ 21,027,641.47</u> | <u>\$ 19,554,423.66</u> | <u>\$ 1,471,660.57</u> | | <u>\$ 1,557.24</u> |
| Amendment by (NJSA 40A:4-87) Budget | A-2,A-3 | | A-1 | A:A-1 | | |
| | A-2 | \$ 34,014.86 | | | | |
| | A-3 | 20,993,626.61 | | | | |
| | | \$ 21,027,641.47 | | | | |
| Reserve for Uncollected Taxes | A-2 | | \$ 775,000.00 | | | |
| Accounts Payable | A-17 | | 188,886.03 | | | |
| Reserve for Grants Appropriated | A-10,A-22 | | 157,024.20 | | | |
| Disbursements | A-4 | | 18,433,513.43 | | | |
| | | | \$ 19,554,423.66 | | | |

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

TRUST FUND

BOROUGH OF MIDDLESEX

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|-------------------------------|-------------|--|--|
| Assessment Fund: | | | |
| Cash | B-2 | \$ 11,961.97 | \$ 11,889.07 |
| Assessment Receivable | B-3 | 1,470.00 | 1,470.00 |
| | | <u>\$ 13,431.97</u> | <u>\$ 13,359.07</u> |
| Animal Control Fund: | | | |
| Cash | B-2 | \$ 29,578.02 | \$ 24,938.14 |
| | | <u>\$ 29,578.02</u> | <u>\$ 24,938.14</u> |
| Other Trust Fund: | | | |
| Cash | B-2 | \$ 2,039,610.08 | \$ 706,861.00 |
| Due Current Fund | B-13 | 79,318.66 | 97,248.68 |
| Due General Capital Fund | B-13 | 522,787.01 | 522,787.01 |
| | | <u>\$ 2,641,715.75</u> | <u>\$ 1,326,896.69</u> |
| Escrow Trust Fund: | | | |
| Cash | B-2 | \$ 611,879.43 | \$ 1,018,902.21 |
| | | <u>\$ 611,879.43</u> | <u>\$ 1,018,902.21</u> |
| Payroll Trust Fund: | | | |
| Cash | B-2 | \$ 112,201.09 | \$ 167,306.02 |
| | | <u>\$ 112,201.09</u> | <u>\$ 167,306.02</u> |
| Public Assistance Trust Fund: | | | |
| Cash | B-2 | \$ 9,833.07 | \$ 9,836.41 |
| | | <u>\$ 9,833.07</u> | <u>\$ 9,836.41</u> |
| | | <u>\$ 3,418,639.33</u> | <u>\$ 2,561,238.54</u> |

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

BOROUGH OF MIDDLESEX

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE

| | | | |
|--|------|------------------------|------------------------|
| Assessment Fund: | | | |
| Due Current Fund | B-7 | \$ 702.12 | \$ 629.22 |
| Due General Capital Fund | B-6 | 7,164.08 | 7,164.08 |
| Fund Balance | B-1 | 5,565.77 | 5,565.77 |
| | | <u>\$ 13,431.97</u> | <u>\$ 13,359.07</u> |
| Animal Control Fund: | | | |
| Reserve For Animal Control Fund Expenditures | B-4 | \$ 11,040.00 | \$ 12,048.46 |
| Due Current Fund | B-12 | 18,530.22 | 12,888.48 |
| Due to State of New Jersey | B-5 | 7.80 | 1.20 |
| | | <u>\$ 29,578.02</u> | <u>\$ 24,938.14</u> |
| Other Trust Fund: | | | |
| Reserve For: | | | |
| State Unemployment Compensation Insurance | B-8 | \$ 190,544.51 | \$ 192,617.04 |
| Various Trust Deposits | B-8 | 2,451,171.24 | 1,134,279.65 |
| | | <u>\$ 2,641,715.75</u> | <u>\$ 1,326,896.69</u> |
| Escrow Trust Fund: | | | |
| Developers' Escrow - Water & Soil | B-9 | \$ 20,062.00 | \$ 20,062.00 |
| Developers' Escrow Funds | B-9 | 591,817.43 | 998,840.21 |
| | | <u>\$ 611,879.43</u> | <u>\$ 1,018,902.21</u> |
| Payroll Trust Fund: | | | |
| Payroll Deductions Payable | B-11 | \$ 112,130.98 | \$ 167,306.02 |
| Due Current Fund | B-14 | 70.11 | |
| | | <u>\$ 112,201.09</u> | <u>\$ 167,306.02</u> |
| Public Assistance Trust Fund: | | | |
| Reserve for Public Assistance | B-10 | \$ 9,833.07 | \$ 9,836.41 |
| | | <u>\$ 9,833.07</u> | <u>\$ 9,836.41</u> |
| | | <u>\$ 3,418,639.33</u> | <u>\$ 2,561,238.54</u> |

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

BOROUGH OF MIDDLESEX
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-----------------|
| Balance, December 31, 2020 | B | \$ | 5,565.77 |
| Balance, December 31, 2021 | B | \$ | <u>5,565.77</u> |

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2:C-3 | \$ 1,753,050.55 | \$ 1,726,093.92 |
| Grants - In - Aid, Loans and Other Receivable | C-16 | 2,947,534.42 | 2,912,642.77 |
| Due Trust Assessment Fund | C-20 | 7,164.08 | 7,164.08 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 4,933,363.82 | 6,235,729.51 |
| Unfunded | C-5 | 12,710,686.64 | 10,802,986.64 |
| | | <u>\$ 22,351,799.51</u> | <u>\$ 21,684,616.92</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Bond Anticipation Notes Payable | C-17 | \$ 7,832,673.00 | \$ 6,550,524.00 |
| General Serial Bonds Payable | C-11 | 4,244,000.00 | 5,244,500.00 |
| Contracts Payable | C-7 | 2,342,503.22 | 1,270,876.06 |
| Capital Improvement Fund | C-8 | 24,862.43 | 23,287.43 |
| Reserve for Grant Receivable | C-18 | 559,772.11 | 559,772.11 |
| Due Current Fund | C-21 | 98,634.92 | 98,634.92 |
| Due Trust Other Fund | C-21 | 522,787.01 | 522,787.01 |
| Due Grant Fund | C-21 | 23,775.00 | 23,775.00 |
| Reserve for Insurance Refund | C-6 | 4,838.08 | 4,838.08 |
| Reserve for Payment of Debt Service | C-19 | 56,943.53 | |
| State of New Jersey Loan Payable: | | | |
| Environmental Infrastructure Trust Loans | C-12 | 155,823.06 | 197,163.70 |
| Environmental Infrastructure Fund Loans | C-13 | 79,429.81 | 122,527.51 |
| Environmental Infrastructure Loan | C-9 | 898,891.00 | 898,891.00 |
| Green Trust Loan Program | C-15 | 19,110.95 | 31,538.30 |
| Capital Leases Payable | C-14 | 435,000.00 | 640,000.00 |
| Improvement Authorizations: | | | |
| Funded | C-10 | 1,093,521.46 | 773,466.70 |
| Unfunded | C-10 | 3,761,436.35 | 4,307,548.61 |
| Fund Balance | C-1 | 197,797.58 | 414,486.49 |
| | | <u>\$ 22,351,799.51</u> | <u>\$ 21,684,616.92</u> |

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

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | YEAR ENDED DECEMBER 31, <u>2021</u> | YEAR ENDED DECEMBER 31, <u>2020</u> |
|----------------------------------|-------------|---|---|
| Balance, January 1 | C | \$ 414,486.49 | \$ 535.57 |
| Increased by: | | | |
| Cancellation of Ordinances | | \$ <u>414,486.49</u> | <u>413,950.92</u> \$ <u>414,486.49</u> |
| Decreased by: | | | |
| Surplus Anticipated-Current Fund | C-2 | <u>216,688.91</u> | <u> </u> |
| Balance, December 31 | C | \$ <u><u>197,797.58</u></u> | \$ <u><u>414,486.49</u></u> |

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

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SWIMMING POOL UTILITY FUND

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE</u> <u>DEC. 31, 2021</u> | <u>BALANCE</u> <u>DEC. 31, 2020</u> |
|--|-------------|--|--|
| Operating Fund: | | | |
| Assets: | | | |
| Cash and Investments - Treasurer | D-5 | \$ 306,145.02 | \$ 161,999.92 |
| Cash and Investments - Snack Bar | D-5 | 3,001.00 | 3,008.51 |
| Due from Swimming Pool Capital Fund | D-10 | 94,320.11 | 94,320.11 |
| Total Operating Fund | | <u>403,466.13</u> | <u>259,328.54</u> |
| Capital Fund: | | | |
| Fixed Capital | D-7 | 666,291.56 | 666,291.56 |
| Fixed Capital - Authorized and Uncompleted | D-8 | <u>1,650,000.00</u> | <u>1,650,000.00</u> |
| Total Capital Fund | | <u>2,316,291.56</u> | <u>2,316,291.56</u> |
| | | <u>\$ 2,719,757.69</u> | <u>\$ 2,575,620.10</u> |

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

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>REF.</u> | <u>BALANCE DEC. 31, 2021</u> | <u>BALANCE DEC. 31, 2020</u> |
|---|-------------|----------------------------------|----------------------------------|
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | D-4, D-9 | \$ 64,774.58 | \$ 114,723.85 |
| Reserve for Encumbrances | D-4, D-9 | 5,202.99 | 1,100.44 |
| Due to Current Fund | D-10 | 114,518.62 | 114,526.13 |
| Accrued Interest on Bonds | D-16 | <u>5,577.92</u> | <u>6,706.56</u> |
| | | 190,074.11 | 237,056.98 |
| Fund Balance | D-1 | <u>213,392.02</u> | <u>22,271.56</u> |
| Total Operating Fund | | <u>403,466.13</u> | <u>259,328.54</u> |
| Capital Fund: | | | |
| General Serial Bonds | D-17 | 539,000.00 | 663,500.00 |
| Improvement Authorizations | | | |
| Funded | D-15 | 51,660.79 | 51,660.79 |
| Unfunded | D-15 | 93,670.00 | 93,670.00 |
| Capital Improvement Fund | D-12 | 7,730.10 | 7,730.10 |
| Due to Swimming Pool Operating Fund | D-14 | 94,320.11 | 94,320.11 |
| Reserve for Amortization | D-11 | 1,362,291.56 | 1,237,791.56 |
| Deferred Reserve for Amortization | D-13 | 165,000.00 | 165,000.00 |
| Fund Balance | D-2 | <u>2,619.00</u> | <u>2,619.00</u> |
| Total Capital Fund | | <u>2,316,291.56</u> | <u>2,316,291.56</u> |
| | | <u>\$ 2,719,757.69</u> | <u>\$ 2,575,620.10</u> |

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

"D-1"

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-REGULATORY BASIS

| <u>REVENUE AND OTHER INCOME REALIZED</u> | <u>REF.</u> | <u>YEAR ENDED DECEMBER 31, 2021</u> | <u>YEAR ENDED DECEMBER 31, 2020</u> |
|---|-------------|---|---|
| Fund Balance | D-3 | \$ 21,157.81 | \$ 75,028.00 |
| Fees - Membership | D-3 | 302,246.88 | 144,264.25 |
| Miscellaneous | D-3 | 113,886.78 | 51,906.29 |
| American Rescue Act | D-3 | 121,170.19 | |
| Other Credits to Income: | | | |
| Unexpended Balance of Approp. Reserves | D-9 | 115,215.97 | 43,628.16 |
| Cancellation of Accrued Interest on Bonds | D-16 | 1,128.64 | 1,113.75 |
| Cancellation of Accounts Payable | | | 34,693.93 |
| Total Revenues | | <u>674,806.27</u> | <u>350,634.38</u> |
| <u>EXPENDITURES</u> | | | |
| Budget Appropriations: | | | |
| Operating | D-4 | 369,500.00 | 315,000.00 |
| Debt Service | D-4 | 78,528.00 | 78,528.00 |
| Statutory Expenditures and Deferred Charges | D-4 | 14,500.00 | 11,500.00 |
| Total Expenditures | | <u>462,528.00</u> | <u>405,028.00</u> |
| Excess/(Deficit) in Revenues | | 212,278.27 | (54,393.62) |
| <u>FUND BALANCE</u> | | | |
| Balance - January 1 | D | <u>22,271.56</u> | <u>151,693.18</u> |
| | | 234,549.83 | 97,299.56 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | D-1 | <u>21,157.81</u> | <u>75,028.00</u> |
| Balance - December 31 | D | <u>\$ 213,392.02</u> | <u>\$ 22,271.56</u> |

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

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

| | <u>REF.</u> | |
|-----------------------------|-------------|--------------------|
| Balance - December 31, 2020 | D | \$ 2,619.00 |
| Balance - December 31, 2021 | D | <u>\$ 2,619.00</u> |

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

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | <u>REF.</u> | <u>2021</u> <u>BUDGET</u> | <u>REALIZED</u> | <u>EXCESS OR</u> <u>(DEFICIT)</u> |
|--------------------------|-------------|------------------------------|----------------------|--------------------------------------|
| Fund Balance | D-1 | \$ 21,157.81 | \$ 21,157.81 | \$ |
| Fees - Membership | D-1,D-5 | 227,200.00 | 302,246.88 | 75,046.88 |
| Miscellaneous | D-1,D-5 | 93,000.00 | 113,886.78 | 20,886.78 |
| American Rescue Plan Act | D-1,D-5 | <u>121,170.19</u> | <u>121,170.19</u> | <u>-</u> |
| | | <u>\$ 462,528.00</u> | <u>\$ 558,461.66</u> | <u>\$ 95,933.66</u> |

Ref. D-4

Analysis of Miscellaneous Revenues:

| | | |
|------------------------|-----|----------------------|
| Interest | | \$ 56.48 |
| Miscellaneous Revenues | | <u>113,830.30</u> |
| | D-5 | <u>\$ 113,886.78</u> |

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

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS

| | 2021 <u>BUDGET</u> | BUDGET AFTER <u>MODIFICATION</u> | PAID OR <u>CHARGED</u> | EXPENDED <u>ENCUMBERED</u> | RESERVED | UNEXPENDED BALANCE <u>CANCELLED</u> |
|--|-----------------------|-------------------------------------|---------------------------|-------------------------------|--------------|---|
| Operating: | | | | | | |
| Salaries and Wages | \$ 205,000.00 | \$ 204,500.00 | \$ 189,779.76 | \$ | \$ 14,720.24 | \$ |
| Other Expenses | 165,000.00 | 165,000.00 | 109,747.50 | 5,202.99 | 50,049.51 | |
| Debt Service: | | | | | | |
| Payment of Bond Principal | 78,528.00 | 78,528.00 | 78,528.00 | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Social Security System (O.A.S.I.) | 14,000.00 | 14,500.00 | 14,495.17 | | 4.83 | |
| Total Swimming Pool Utility Appropriations | \$ 462,528.00 | \$ 462,528.00 | \$ 392,550.43 | \$ 5,202.99 | \$ 64,774.58 | \$ - |

Ref. D-3 D-3 D-1,D-5 D,D-1 D,D-1

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

BOROUGH OF MIDDLESEX
STATEMENT OF GENERAL FIXED ASSETS
BALANCE SHEETS - REGULATORY BASIS

| | BALANCE DECEMBER <u>31, 2021</u> | BALANCE DECEMBER <u>31, 2020</u> |
|-------------------------------------|--|--|
| <u>FIXED ASSETS:</u> | | |
| Land | \$ 5,864,700.00 | \$ 5,864,700.00 |
| Buildings | 6,533,000.00 | 6,533,000.00 |
| Machinery and Equipment | <u>10,539,023.00</u> | <u>10,114,287.23</u> |
| <u>TOTAL FIXED ASSETS</u> | <u>\$ 22,936,723.00</u> | <u>\$ 22,511,987.23</u> |
| <u>RESERVE:</u> | | |
| Investments in General Fixed Assets | <u>\$ 22,936,723.00</u> | <u>\$ 22,511,987.23</u> |

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MIDDLESEX

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Middlesex is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough council consists of elected officials and is responsible for the fiscal control of the Borough. A Mayor is elected to serve a term of four years. A Council consisting of six members is elected to serve staggered three-year terms.

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

B. Description of Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

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

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

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of the purchase and are not capitalized in their own respective funds. The Borough has valued its land and buildings at assessed values. GAAP requires capital assets to be recorded at their historical cost or estimated historical cost. Additionally, GAAP requires depreciation to be calculated on capital assets, with the exception of land.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Swimming Pool Utility (continued) - The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents changes to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions - Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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

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

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 Pensions & Benefits' reporting on GASB 68. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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 Pensions & 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

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

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

The Borough of Middlesex had the following cash and cash equivalents at December 31, 2021:

| <u>Fund</u> | <u>Cash In Bank</u> | <u>Reconciling Items</u> | <u>Total</u> |
|--------------------------------------|-------------------------|--------------------------|-------------------------|
| Current Fund | \$ 6,006,070.05 | \$ (177,881.09) | \$ 5,828,188.96 |
| Grant Fund | 544,550.88 | | 544,550.88 |
| Trust Assessment Fund | 11,961.97 | | 11,961.97 |
| Animal Control Trust Fund | 29,632.83 | (54.81) | 29,578.02 |
| Trust Other Fund | 2,801,196.01 | (37,505.41) | 2,763,690.60 |
| Public Assistance Trust Fund | 9,833.07 | | 9,833.07 |
| General Capital Fund | 1,758,068.03 | (5,017.48) | 1,753,050.55 |
| Swimming Pool Utility Operating Fund | 309,648.26 | (502.24) | 309,146.02 |
| <u>Total</u> | <u>\$ 11,470,961.10</u> | <u>\$ (220,961.03)</u> | <u>\$ 11,250,000.07</u> |

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2021, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance in the bank was exposed to custodial credit risk. Of the cash balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$11,082,678.16 was covered by NJGUDPA. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA. The Borough has \$138,282.94 in the New Jersey Cash Management Fund.

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

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

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

As of December 31, 2021, the Borough has \$138,282.94 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, 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 (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.025%:

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|-------------------------|------------------------|-------------------------|
| Local School District Debt | \$ 435,000.00 | \$ 435,000.00 | \$ |
| Swimming Pool Utility Debt | 789,000.00 | 789,000.00 | |
| General Debt | <u>17,662,459.61</u> | <u>56,943.53</u> | <u>17,605,516.08</u> |
| | <u>\$ 18,886,459.61</u> | <u>\$ 1,280,943.53</u> | <u>\$ 17,605,516.08</u> |

Net debt \$17,605,516.08 divided by equalized valuation basis per N.J.S. 40A:2-2, \$1,717,944,670.67 equals 1.025%

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

| | |
|---|----------------------------|
| Equalized Valuation Basis - December 31, 2021 | \$ <u>1,717,944,670.67</u> |
| 3 1/2% of Equalized Valuation Basis | \$ 60,128,063.47 |
| Net Debt | <u>17,605,516.08</u> |
| Remaining Borrowing Power | \$ <u>42,522,547.39</u> |

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

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$2,878,000.00 in General Obligation Bonds dated July 16, 2015, due in annual remaining installments ranging between \$301,000.00 and \$326,500.00 due on July 15 each year with interest rates from 2.000% to 2.500%. \$ 1,254,000.00

\$3,700,000.00 in General Obligation Refunding Bonds dated December 19, 2019, due in annual remaining installments ranging between \$740,000.00 and \$750,000.00 due on February 15 each Year with interest rates from 4.000% to 5.000%. 2,990,000.00

\$ 4,244,000.00

Swimming Pool Utility Serial Bonds:

\$1,235,000.00 in General Obligation Bonds dated July 16, 2015, due in annual remaining installments ranging between \$129,000.00 and \$141,500.00 due on July 15 each year with interest rates from 2.000% to 2.500%. \$ 539,000.00

\$ 539,000.00

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 \$ 3,997,531.79
Swimming Pool Capital Fund 250,000.00

Total \$ 4,247,531.79

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

| | | | |
|--|------------------|--|---------------------|
| Cash Receipts from Fees, Rents or Other Charges for Year and Anticipated Surplus | | | \$ 558,461.66 |
| <u>Deductions:</u> | | | |
| Operation and Maintenance | \$ 384,000.00 | | |
| Debt Service | <u>78,528.00</u> | | |
| Total Deductions | | | <u>462,528.00</u> |
| Excess in Revenue - Self-Liquidating | | | \$ <u>95,933.66</u> |

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

| <u>Year</u> | <u>General Capital</u> | | <u>Swim Pool Utility Capital</u> | | <u>Total</u> |
|-------------|------------------------|----------------------|----------------------------------|---------------------|------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2022 | \$ 1,041,000.00 | \$ 155,605.00 | \$ 129,000.00 | \$ 12,170.00 | \$ 1,337,775.00 |
| 2023 | 1,053,000.00 | 116,160.00 | 132,000.00 | 9,590.00 | 1,310,750.00 |
| 2024 | 1,073,500.00 | 72,500.00 | 136,500.00 | 6,950.00 | 1,289,450.00 |
| 2025 | <u>1,076,500.00</u> | <u>26,912.50</u> | <u>141,500.00</u> | <u>3,537.50</u> | <u>1,248,450.00</u> |
| Total | <u>\$ 4,244,000.00</u> | <u>\$ 371,177.50</u> | <u>\$ 539,000.00</u> | <u>\$ 32,247.50</u> | <u>\$ 5,186,425.00</u> |

GREEN TRUST LOANS

| <u>CALENDAR YEAR</u> | <u>1989 Loan Program</u> | | |
|--------------------------|---------------------------|--------------------------|---------------------|
| | <u>LOAN PRINCIPAL</u> | <u>LOAN INTEREST</u> | <u>TOTAL</u> |
| 2022 | \$ 12,677.13 | \$ 319.15 | 12,996.28 |
| 2023 | <u>6,433.82</u> | <u>64.30</u> | <u>6,498.12</u> |
| | <u>\$ 19,110.95</u> | <u>\$ 383.45</u> | <u>\$ 19,494.40</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

| <u>CALENDAR YEAR</u> | <u>TRUST LOAN</u> | | <u>FUND LOAN</u> | <u>TOTAL</u> |
|----------------------|----------------------|---------------------|---------------------|----------------------|
| | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | |
| 2022 | \$ 45,607.96 | \$ 5,724.45 | \$ 44,559.05 | \$ 95,891.46 |
| 2023 | 55,174.08 | 3,444.06 | 34,870.76 | 93,488.90 |
| 2024 | 55,041.02 | 1,788.83 | | 56,829.85 |
| | <u>\$ 155,823.06</u> | <u>\$ 10,957.34</u> | <u>\$ 79,429.81</u> | <u>\$ 246,210.21</u> |

MIDDLESEX COUNTY IMPROVEMENT AUTHORITY CAPITAL LEASE

| <u>CALENDAR YEAR</u> | <u>LOAN PRINCIPAL</u> | <u>LOAN INTEREST</u> | <u>TOTAL</u> |
|----------------------|-----------------------|----------------------|----------------------|
| 2022 | \$ 215,000.00 | \$ 17,400.00 | \$ 232,400.00 |
| 2023 | 220,000.00 | 8,800.00 | 228,800.00 |
| | <u>\$ 435,000.00</u> | <u>\$ 26,200.00</u> | <u>\$ 461,200.00</u> |

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

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

The Borough had the following outstanding bond anticipation note(s) at year end:

| | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount</u> |
|-----------------|----------------------|----------------------|-----------------|
| General Capital | 1.00% | 06/23/22 | \$ 7,832,673.00 |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2021, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2022, was \$1,600,000.00 for the Current Fund and \$61,528.00 for the Swimming Pool Utility Operating Fund.

NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local 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, 2021 | Balance December 31, 2020 |
|---------------|---------------------------------|---------------------------------|
| Prepaid Taxes | \$ <u>216,614.57</u> | \$ <u>334,690.95</u> |

NOTE 6: PENSION PLANS

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

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

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

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

Vesting and Benefit Provisions

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

NOTE 6: PENSION PLANS

Vesting and Benefit Provisions (Continued)

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

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

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2021, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2021, the State contributed an amount less than the actuarially determined amount. During 2021, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Borough's share of pension, which is based upon the annual billings received from the State, amounted to \$1,559,422 for 2021, \$1,368,010 for 2020, and \$4,260,490 for 2019.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pensions for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2020.

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, 2020. 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, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$6,384,516.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.0391510737 percent, which was a decrease of 0.0001166153 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$444,687.00 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, 2020 billing was \$464,828.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, 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 | \$ 116,252 | \$ 22,578 |
| Changes of assumptions | 207,121 | 2,673,257 |
| Net difference between projected and actual earnings on pension plan investments | 218,228 | |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>643,770</u> | <u>202,676</u> |
| | <u>\$ 1,185,371</u> | <u>\$ 2,898,511</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> |
|--------------------------------|----------------------|
| 2021 | (\$578,420) |
| 2022 | (551,696) |
| 2023 | (329,468) |
| 2024 | (209,767) |
| 2025 | <u>(43,789)</u> |
| | <u>(\$1,713,140)</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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

| | <u>June 30, 2020</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-2020.

The actuarial assumptions used in the July 1, 2019 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 both June 30, 2020 and June 30, 2019) 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, 2020 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% | 7.71% |
| Non-U.S. Developed Market Equity | 13.50% | 8.57% |
| Emerging Market Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |
| Real Assets | 3.00% | 9.73% |
| Real Estate | 8.00% | 9.56% |
| High Yield | 2.00% | 5.95% |
| Private Credit | 8.00% | 7.59% |
| Investment Grade Credit | 8.00% | 2.67% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasury's | 5.00% | 1.94% |
| Risk Mitigation Strategies | 3.00% | 3.40% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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, 2020 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, 2020 | | |
|---|--------------------------------|---|--------------------------------|
| | 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 | \$8,037,041.00 | \$6,384,516.00 | \$4,982,315.00 |

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, 2020, the State reported a net pension liability of \$12,324,220.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the Borough's proportion was 0.0953789652 percent, which was an increase of 0.0055746404 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$1,208,329.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$953,817.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 124,249 | \$ 44,230 |
| Changes of assumptions | 31,014 | 3,304,050 |
| Net difference between projected and actual earnings on pension plan investments | 722,627 | |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>1,891,047</u> | <u>82,005</u> |
| | <u>\$ 2,768,937</u> | <u>\$ 3,430,285</u> |

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

| Year Ended <u>June 30</u> | <u>Amount</u> |
|------------------------------|---------------------|
| 2021 | \$ (570,465) |
| 2022 | (326,253) |
| 2023 | 66,692 |
| 2024 | 163,707 |
| 2025 | <u>4,971</u> |
| | <u>\$ (661,348)</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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

| | <u>June 30, 2020</u> |
|---------------------------|------------------------------|
| Inflation: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | |
| Through All Future Years | 3.25-15.25% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020 and June 30, 2019) 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, 2020 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% | 7.71% |
| Non-U.S. Developed Market Equity | 13.50% | 8.57% |
| Emerging Market Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |
| Real Assets | 3.00% | 9.73% |
| Real Estate | 8.00% | 9.56% |
| High Yield | 2.00% | 5.95% |
| Private Credit | 8.00% | 7.59% |
| Investment Grade Credit | 8.00% | 2.67% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasury's | 5.00% | 1.94% |
| Risk Mitigation Strategies | 3.00% | 3.40% |

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% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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, 2020 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, 2020 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Borough's proportionate share of the PFRS pension liability | \$16,388,676.00 | \$12,324,220.00 | \$8,948,379.00 |

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, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,912,663.00 and \$1,735,356.00, respectively.

At June 30, 2020, 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 | \$12,324,220.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough | <u>1,912,663.00</u> |
| | <u>\$14,236,883.00</u> |

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

The Borough has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost of such unpaid sick and vacation pay would approximate \$106,139.11 for 2021. This amount represents the current value of all accumulations and is not intended to portray amounts that would be recorded under GAAP. Expenditures for payments of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriation. In addition, the Police are entitled to compensation hours capped at a maximum of 480 hours per officer. The estimated cost of such compensation would approximate \$370,743.22 for 2021.

NOTE 8: DEFERRED COMPENSATION PLAN

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

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

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

NOTE 9: LITIGATION

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

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2021. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues, through the establishment of a reserve, or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has a reserve of \$24,496.20 at December 31, 2021.

NOTE 11: CONTINGENT LIABILITIES

The Borough participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2021, the Borough does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

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

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

| <u>Year</u> | <u>Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------|--------------------------|-----------------------|
| 2021 | \$ 1,164.09 | \$ 3,236.62 | \$ 190,544.51 |
| 2020 | 2,072.31 | 4,301.88 | 192,617.04 |
| 2019 | 2,688.95 | 8,636.23 | 194,846.61 |

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other post-employment obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2020.

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

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

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

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.

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

Plan Description and Benefits Provided (Continued)

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

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

Contributions

The Borough's contributions to SHBP for the years ended December 31, 2021 were \$884,361.23, which equaled the required contributions for the year.

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.

Total OPEB Liability

The Borough's total OPEB liability of \$21,873,511 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

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

Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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 period measurements:

| | |
|--|--|
| | <u>2020 and 2019</u> |
| Inflation rate | 2.50% |
| Salary Increases*: | |
| Public Employees Retirement System (PERS): | |
| Initial Fiscal Year Applied | |
| Rate Through 2026 | 2.00% to 6.00% |
| Rate Thereafter | 3.00% to 7.00% |
| Police and Firemen's Retirement System (PFRS): | |
| Rate for All Future Years | 3.25% to 15.25% |
| Mortality: | |
| PERS | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-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 years of service within the respective plan.

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 decrease 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.

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

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.

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

The following presents the collective net OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

| | <u>June 30, 2020</u> | | |
|----------------------|----------------------------------|------------------------------------|-----------------------------------|
| | <u>1.00% Decrease (1.21)</u> | <u>At Discount Rate (2.21)</u> | <u>1.00% Increase (3.21%)</u> |
| Total OPEB Liability | \$25,859,111.00 | \$21,873,511.00 | \$18,718,546.00 |

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

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

| | <u>June 30, 2020</u> | | |
|------------|---------------------------|---------------------------------------|---------------------------|
| | <u>1.00% Decrease</u> | <u>Healthcare Cost Trend Rate</u> | <u>1.00% Increase</u> |
| Total OPEB | \$18,100,353.00 | \$21,873,511.00 | \$26,814,513.00 |

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

At June 30, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 576,131.00 | \$ 4,073,256.00 |
| Changes of assumptions | 3,271,589.00 | 4,864,331.00 |
| Net difference between projected and actual earnings on pension plan investments | 13,891.00 | |
| Changes in proportion | <u>1,944,736.00</u> | <u>2,476,906.00</u> |
| | <u>\$ 5,806,347.00</u> | <u>\$ 11,414,493.00</u> |

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

| Year Ended | | <u>Amount</u> |
|----------------|----|-----------------------|
| <u>June 30</u> | | |
| 2021 | \$ | (1,280,421.00) |
| 2022 | | (1,281,488.00) |
| 2023 | | (1,283,385.00) |
| 2024 | | (1,284,721.00) |
| 2025 | | (822,357.00) |
| Thereafter | | <u>344,226.00</u> |
| | \$ | <u>(5,608,146.00)</u> |

OPEB Plan Fiduciary Net Position

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

NOTE 14: DEFERRED SCHOOL TAXES

School taxes raised in the calendar year for the school fiscal year (July 1 to June 30) which remain unpaid at December 31 may be deferred to current fund balance in an amount not exceeding fifty percent (50%) of the levy providing the school district has not requisitioned the funds. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2021, are as follows:

| | |
|----------------------------|----------------------|
| Total Balance of Local Tax | \$13,416,680.00 |
| Deferred Taxes | <u>12,568,492.00</u> |
| Local Tax Payable | \$ <u>848,188.00</u> |

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2021:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|----------------------------------|---------------------------------|------------------------------|
| Current Fund | \$ 232,455.99 | \$ 82,780.18 |
| Grant Fund | 27,236.52 | |
| Assessment Trust Fund | | 7,866.20 |
| Animal Control Fund | | 18,530.22 |
| Trust Other Fund | 602,105.67 | |
| Payroll Trust Fund | | 70.11 |
| General Capital Fund | 7,164.08 | 645,196.93 |
| Swim Pool Utility Operating Fund | 94,320.11 | 114,518.62 |
| Swim Pool Utility Capital Fund | | <u>94,320.11</u> |
| | \$ <u>963,282.37</u> | \$ <u>963,282.37</u> |

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

NOTE 16: LENGTH OF SERVICE AWARDS PROGRAM

The Borough of Middlesex adopted an ordinance establishing a Length of Service Awards Program for the members of the Middlesex Fire Department pursuant to N.J.S.A. 40A:14-183 *et seq.*

All assets of the plan are held by an independent administrator, the Lincoln Financial Advisers.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost amounted to \$55,200.00 in 2021.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 17: FIXED ASSETS

The Borough's governmental fixed assets are reported as follows:

| <u>Description</u> | <u>Balance Dec 31, 2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance Dec 31, 2021</u> |
|---------------------------------------|-------------------------------------|----------------------------|----------------------------|-------------------------------------|
| Land | \$ 5,864,700 | | | \$ 5,864,700 |
| Building and Building Improvements | 6,533,000 | | | 6,533,000 |
| Machinery and Equipment | <u>10,114,287</u> | <u>\$1,558,329</u> | <u>\$1,133,593</u> | <u>10,539,023</u> |
| Total | \$ <u>22,511,987</u> | \$ <u>1,558,329</u> | \$ <u>1,133,593</u> | \$ <u>22,936,723</u> |

NOTE 18: LONG TERM TAX EXEMPTIONS

The Borough provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes, N.J.S.A. 40A:20-1 *et seq.* sets forth the criteria and mechanism by which property taxes can and are abated. The exemption provided by the Borough are predominately for affordable housing projects. Taxes are abated include municipal, local, school and county taxes. The Borough is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Borough PILOT billing in 2021 were \$1,040,100.00 and taxes in 2021 that otherwise would have been due on these long-term tax exemptions amount to \$4,120,802.63, based upon the assessed valuations of the long-term tax exemption properties.

NOTE 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 25, 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 event needed to be disclosed:

The Borough adopted Ordinance 2062-22 for Various Capital Improvements in the amount of \$2,279,900.00. There were Bonds and Notes authorized in the amount of \$1,636,870.00.

BOROUGH OF MIDDLESEX

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | <u>CURRENT FUND</u> | <u>GRANT FUND</u> |
|--|-------------|----------------------|-------------------|
| Balance, December 31, 2020 | A | \$ 5,306,241.41 | \$ |
| Increased by Receipts: | | | |
| Miscellaneous Revenue Not Anticipated | A-2 | \$ 385,705.21 | \$ |
| Taxes Receivable | A-6 | 46,988,258.44 | |
| Sewer Rents Receivable | A-8 | 957,366.54 | |
| Revenue Accounts Receivable | A-9 | 4,118,115.73 | |
| State of New Jersey-Senior Citizens and Veterans | A-12 | 84,871.23 | |
| Prepaid Taxes | A-15 | 216,614.57 | |
| Tax Overpayments | A-16 | 35,185.11 | |
| Various Accounts Payable and Reserves | A-18 | 246,761.55 | |
| Grants Receivable | A-19 | | 153,967.18 |
| Grants Unappropriated | A-21 | | 594,710.39 |
| Interfunds Returned | A-10:A-22 | <u>75,923.31</u> | <u>123,164.69</u> |
| | | <u>53,108,801.69</u> | <u>871,842.26</u> |
| | | \$ 58,415,043.10 | \$ 871,842.26 |
| Decreased by Disbursements: | | | |
| Refund of Prior Year Revenue | A-1 | \$ 12,508.82 | \$ |
| Appropriations | A-3 | 18,433,513.43 | |
| Appropriation Reserves | A-11 | 528,805.61 | |
| County Taxes | A-13 | 6,795,477.67 | |
| Local District School Tax | A-14 | 26,558,604.00 | |
| Various Accounts Payable and Reserves | A-18 | 256,404.55 | |
| Grants Appropriated | A-20 | | 131,556.80 |
| Interfunds Returned | A-10:A-22 | <u>2,040.06</u> | <u>195,734.58</u> |
| | | <u>52,587,354.14</u> | <u>327,291.38</u> |
| Balance, December 31, 2021 | A | \$ 5,827,688.96 | \$ 544,550.88 |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

| | <u>BALANCE</u> <u>DECEMBER 31,</u> <u>2021 AND 2020</u> | |
|-----------------------|---|---------------|
| Collector - Treasurer | \$ | 200.00 |
| Municipal Court | | 150.00 |
| Construction | | 50.00 |
| Borough Clerk | | 50.00 |
| Swim Pool Utility | | 50.00 |
| | | <hr/> |
| | \$ | <u>500.00</u> |
| <u>REF.</u> | | A |

BOROUGH OF MIDDLESEX
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE DECEMBER 31, 2020 | 2021 LEVY | ADDED TAXES | COLLECTIONS 2020 | 2021 | TRANSFERRED TO TAX TITLE LIENS | CANCELED | OVERPAYMENTS APPLIED | BALANCE DECEMBER 31, 2021 |
|------|---------------------------------|------------------|--------------|---------------------|------------------|--------------------------------------|--------------|-------------------------|---------------------------------|
| 2019 | \$ 3,850.14 | \$ | \$ 9,460.40 | \$ | \$ 2,883.42 | \$ | \$ 966.72 | \$ | \$ 250.00 |
| 2020 | 549,441.81 | | | 544,465.52 | | | 14,186.69 | | |
| 2021 | | 47,453,509.38 | 6,654.23 | 334,690.95 | 46,533,498.54 | 10,323.36 | 42,446.50 | 17,462.38 | 521,741.88 |
| | \$ 553,291.95 | \$ 47,453,509.38 | \$ 16,114.63 | \$ 334,690.95 | \$ 47,080,847.48 | \$ 10,323.36 | \$ 57,599.91 | \$ 17,462.38 | \$ 521,991.88 |
| REF. | A | | | A-2-A-15 | A-2 | A-7 | | A-2-A-16 | A |

Collector (Including Homestead Credit)
Due From State of New Jersey Per Chapter 20, P. L. 1971

| | |
|------|-------------------------|
| REF. | |
| A-4 | \$ 46,988,258.44 |
| A-12 | \$ 92,589.04 |
| | <u>\$ 47,080,847.48</u> |

ANALYSIS OF 2021 PROPERTY TAX LEVY

| | | |
|---|----------|----------------------|
| TAX YIELD | | |
| General Purpose Tax | \$ | 47,373,909.72 |
| Added Taxes (54:4-63.1 et. seq.) | | <u>79,599.66</u> |
| | \$ | <u>47,453,509.38</u> |
| TAX LEVY | | |
| Local District School Tax (Abstract) | A-2-A-14 | \$ |
| County Taxes: | | |
| County Tax | A-13 | \$ 6,288,807.95 |
| County Open Space Preservation Tax | A-13 | 515,338.34 |
| County Added | A-13 | <u>11,331.38</u> |
| Local Tax for Municipal Purposes (Abstract) | A-2 | \$ 13,334,453.56 |
| Municipal Library Taxes | A-2 | 570,459.02 |
| Add: Additional Tax Levied | | <u>69,067.13</u> |
| Local Tax for Municipal Purposes Levied | | <u>13,973,979.71</u> |
| | | \$ 26,684,052.00 |
| | | <u>6,795,477.67</u> |
| | | <u>13,973,979.71</u> |
| | | \$ 47,453,509.38 |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2020 | A | \$ 415,884.70 |
| Increased by: | | |
| Transferred From Taxes | A-6 | <u>10,323.36</u> |
| | | 426,208.06 |
| Decreased by: | | |
| Canceled/Adjusted | Reserved | <u>338,488.00</u> |
| Balance, December 31, 2021 | A | \$ <u><u>87,720.06</u></u> |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF SEWER FLOW CHARGES RECEIVABLE

| | <u>REF.</u> | | |
|----------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2020 | A | \$ | 23,133.38 |
| Increased by: | | | |
| Sewer Flow Charges: User Charges | Reserve | | <u>967,428.57</u> |
| | | | 990,561.95 |
| Decreased by: | | | |
| Receipts | A-2,A-4 | | <u>957,366.54</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>33,195.41</u></u> |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>ACCRUED IN 2021</u> | <u>COLLECTED BY TREASURER</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|--|-------------|--|----------------------------|-----------------------------------|--|
| Clerk: | | | | | |
| Alcoholic Beverage Licenses | A-2 | \$ | \$ 13,861.80 | \$ 13,861.80 | \$ |
| Other Licenses | A-2 | | 35,182.00 | 35,182.00 | |
| Fees and Permits: | | | | | |
| Construction Code Official | A-2 | | 368,618.00 | 368,618.00 | |
| Other | A-2 | | 7,772.22 | 7,772.22 | |
| Municipal Court - Fines and Costs | A-2 | 5,006.02 | 89,643.84 | 87,592.20 | 7,057.66 |
| Interest and Costs on Taxes | A-2 | | 134,739.85 | 134,739.85 | |
| Interest on Investments and Deposits | A-2 | | 55,388.62 | 55,388.62 | |
| Cable Franchise Fees | A-2 | | 89,450.17 | 89,450.17 | |
| Payment in Lieu of Taxes - Presbyterian Homes | A-2 | | 56,100.21 | 56,100.21 | |
| Payment in Lieu of Taxes - 150 Lofts, LLC | A-2 | | 879,993.25 | 879,993.25 | |
| Host Community Benefit Funds | A-2 | | 67,827.03 | 67,827.03 | |
| Consolidated Municipal Property Tax Relief Aid | A-2 | | 14,397.00 | 14,397.00 | |
| Energy Receipts Tax | A-2 | | 1,765,417.00 | 1,765,417.00 | |
| Payment in Lieu of Taxes - Midmarket Urban Renewal | A-2 | | 325,087.47 | 325,087.47 | |
| General Capital Fund Balance | A-2 | | 216,688.91 | 216,688.91 | |
| | | <u>\$ 5,006.02</u> | <u>\$ 4,120,167.37</u> | <u>\$ 4,118,115.73</u> | <u>\$ 7,057.66</u> |
| | <u>REF.</u> | A | Reserve | A-4 | A |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF INTERFUNDS

| REF. | TOTAL | GRANT FUND | ASSESSMENT TRUST FUND | ANIMAL CONTROL TRUST FUND | TRUST FUND TRUST OTHER | PAYROLL TRUST FUND | GENERAL CAPITAL FUND | SWIMMING POOL OPERATING FUND |
|--|---------------|--------------|-----------------------|---------------------------|------------------------|--------------------|----------------------|------------------------------|
| Balance, December 31, 2020: | | | | | | | | |
| Interfunds Receivable | \$ 297,781.62 | \$ 71,102.87 | \$ 629.22 | \$ 12,888.48 | \$ 97,248.68 | \$ | \$ 98,634.92 | \$ 114,526.13 |
| Interfunds Payable | \$ 97,248.68 | | | | | | | |
| Statutory Animal Control Excess | 5,641.74 | | | 5,641.74 | | | | |
| Grant Revenues | 155,029.70 | 155,029.70 | | | | | | |
| Interest on investments | 1,448.86 | | 72.90 | | | 1,375.96 | | |
| Grant Appropriations | 157,024.20 | 157,024.20 | | | | | | |
| Receipts | 75,923.31 | 74,564.39 | | | | 1,305.85 | | 53.07 |
| Disbursements | 2,040.06 | 1,994.50 | | | | | | 45.56 |
| Various Accounts Payables and Reserves | 17,930.02 | | | | 17,930.02 | | | |
| Balance, December 31, 2021: | | | | | | | | |
| Interfunds Receivable | \$ 232,455.99 | \$ | \$ 702.12 | \$ 18,530.22 | \$ | \$ 70.11 | \$ 98,634.92 | \$ 114,518.62 |
| Interfunds Payable | \$ 82,780.18 | \$ 3,461.52 | | | \$ 79,318.66 | | | |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2020 | ENCUMBRANCES | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|--------------|---------------------|--------------------|-------------------|
| <u>Salaries and Wages:</u> | | | | | |
| General Administration | \$ 2,500.12 | \$ | \$ 2,500.12 | \$ | \$ 2,500.12 |
| Mayor and Council | 3,466.82 | | 3,466.82 | | 3,466.82 |
| Clerk | 4,184.45 | | 4,184.45 | | 4,184.45 |
| Financial Administration | 2,119.70 | | 2,119.70 | | 2,119.70 |
| Assessment of Taxes | 90.00 | | 90.00 | | 90.00 |
| Collection of Taxes | 47.03 | | 47.03 | | 47.03 |
| Code Enforcement | 6,771.02 | | 6,771.02 | | 6,771.02 |
| Joint Land Use Board | 3,750.00 | | 3,750.00 | 500.00 | 3,250.00 |
| Police | 87,042.40 | | 87,042.40 | 8,009.69 | 79,032.71 |
| Juvenile Conference Committee | 0.08 | | 0.08 | | 0.08 |
| Municipal Court | 11,291.73 | | 11,291.73 | | 11,291.73 |
| Road Repairs and Maintenance | 36,417.33 | | 36,417.33 | 10,665.89 | 25,751.44 |
| Shade Tree Commission | 130.12 | | 130.12 | | 130.12 |
| Solid Waste Collection | 18,603.06 | | 18,603.06 | 1,542.39 | 17,060.67 |
| Garbage and Trash Removal | 20,655.64 | | 20,655.64 | 4,677.77 | 15,977.87 |
| Buildings and Grounds | 252.64 | | 252.64 | | 252.64 |
| Senior Nutrition - Program Costs | 537.00 | | 537.00 | | 537.00 |
| Title III Senior Medical Transportation - Program Costs | 2,450.00 | | 2,450.00 | | 2,450.00 |
| Title III Information & Assistance - Program Costs | 133.10 | | 133.10 | | 133.10 |
| Recreation Services and Program | 8,599.63 | | 8,599.63 | | 8,599.63 |
| Parks and Playgrounds | 5,376.41 | | 5,376.41 | 3,933.32 | 1,443.09 |
| Senior Citizens Coordinator | 422.03 | | 422.03 | | 422.03 |
| Accumulated Sick Leave Compensation | 322.17 | | 322.17 | | 322.17 |
| Construction Department | 136.65 | | 136.65 | | 136.65 |
| Sewer Processing and Disposal | 5,847.93 | | 5,847.93 | 1,878.72 | 3,969.21 |
| <u>Other Expenses:</u> | | | | | |
| General Administration | 3,453.03 | 24.95 | 3,477.98 | 24.95 | 3,453.03 |
| Mayor and Council | 1,673.37 | 19.39 | 1,692.76 | 54.39 | 1,638.37 |
| Clerk | 2,028.93 | 600.00 | 2,628.93 | 2,600.00 | 28.93 |
| Postage for All Departments | 4,213.05 | 184.93 | 4,397.98 | 566.73 | 3,831.25 |
| Printing and Advertising | 2,596.57 | 349.90 | 2,946.47 | 803.88 | 2,142.59 |
| Financial Administration | 2,127.36 | 1,815.19 | 3,942.55 | 3,298.99 | 643.56 |
| Elections | 9,400.00 | | 9,400.00 | | 9,400.00 |
| Annual Audit | 30,000.00 | | 30,000.00 | 27,900.00 | 2,100.00 |
| Assessment of Taxes | 1,206.80 | | 1,206.80 | | 1,206.80 |
| Collection of Taxes | 969.46 | 202.07 | 1,171.53 | 177.07 | 994.46 |
| Legal Services and Costs | 8,725.75 | | 20,725.75 | 13,462.50 | 7,263.25 |
| Engineering Services and Costs | 27,276.80 | | 27,276.80 | 13,376.25 | 13,900.55 |
| Board of Health | 35,456.72 | 50.00 | 35,506.72 | | 35,506.72 |
| Computer Data Services | 27,333.60 | 7,197.68 | 34,531.28 | 15,921.84 | 18,609.44 |
| Environmental Legal and Engineering Services and Costs | 7,956.50 | | 7,956.50 | 6,186.00 | 1,770.50 |
| Code Enforcement | 15,090.76 | | 15,090.76 | | 15,090.76 |
| Purchasing Agent | 1,397.06 | | 1,397.06 | | 1,397.06 |
| Joint Land Use Board | 16,639.18 | 1,137.50 | 17,776.68 | 1,260.00 | 16,516.68 |
| Temporary Disability Insurance | 3,559.65 | | 3,559.65 | | 3,559.65 |
| Long-Term Disability Insurance | 1,542.26 | | 1,542.26 | | 1,542.26 |
| Liability Insurance | 6,594.90 | | 6,594.90 | | 6,594.90 |
| Workmen's Compensation | 11,526.80 | | 11,526.80 | | 11,526.80 |
| Employee Group Insurance | 293,597.59 | 240.00 | 252,837.59 | 600.00 | 252,237.59 |
| Flood Plan Management | 10,125.76 | 800.00 | 10,925.76 | 435.00 | 10,490.76 |
| Police | 3,517.15 | 102,193.34 | 105,710.49 | 96,614.72 | 9,095.77 |
| Juvenile Conference Committee | 250.00 | | 250.00 | | 250.00 |
| Office of Emergency Management | 467.32 | 3,355.24 | 3,822.56 | 2,246.62 | 1,575.94 |
| Public Defender | 11,890.00 | 390.00 | 12,280.00 | 3,390.00 | 8,890.00 |
| Fire Department | 303.93 | 7,268.53 | 7,572.46 | 7,234.39 | 338.07 |
| Fire Hydrant Fees | 19,522.86 | | 19,522.86 | 16,788.00 | 2,734.86 |
| Municipal Prosecutor's Office | 1,433.34 | 1,500.00 | 2,933.34 | 1,500.00 | 1,433.34 |
| Municipal Court | 4,621.24 | 130.34 | 4,751.58 | 268.20 | 4,483.38 |
| Road Repairs and Maintenance | 40,815.93 | 10,130.07 | 50,946.00 | 14,911.02 | 36,034.98 |
| Shade Tree Commission | 1.00 | 17,000.00 | 17,001.00 | 16,150.00 | 851.00 |
| Garbage and Trash Removal | 11,308.91 | 407.57 | 11,716.48 | 1,720.19 | 9,996.29 |
| Community Services Act (Condominium Costs) | 247.93 | | 247.93 | | 247.93 |
| Buildings and Grounds | 12,303.53 | 10,830.74 | 23,134.27 | 12,416.89 | 10,717.38 |
| Animal Control | 1,700.00 | | 1,700.00 | | 1,700.00 |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2020 | ENCUMBRANCES | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|----------------------|------------------------|----------------------|------------------------|
| Recreation Services and Program | \$ 4,079.80 | \$ 370.82 | \$ 4,450.62 | \$ 345.59 | \$ 4,105.03 |
| Parks and Playgrounds | 11,379.19 | 9,882.80 | 21,261.99 | 6,926.57 | 14,335.42 |
| Senior Citizens Bus Transportation | 7,214.15 | | 7,214.15 | | 7,214.15 |
| Senior Citizens Coordinator | 6,575.41 | 448.57 | 7,023.98 | 448.57 | 6,575.41 |
| Housing and Community Advisory Board | 100.00 | | 100.00 | | 100.00 |
| Construction Department | 2,199.63 | 19.52 | 2,219.15 | 31.31 | 2,187.84 |
| Multi-Family Solid Waste Collection | 17,717.75 | | 17,717.75 | | 17,717.75 |
| Electricity | 33,789.57 | | 33,789.57 | 9,736.45 | 24,053.12 |
| Street Lighting | 25,024.10 | | 25,024.10 | 14,127.04 | 10,897.06 |
| Telephone | 9,020.87 | 1,796.97 | 10,817.84 | 4,763.06 | 6,054.78 |
| Water | 10,404.65 | | 10,404.65 | 2,669.11 | 7,735.54 |
| Gas (Natural or Propane) | 9,890.55 | | 9,890.55 | 6,143.81 | 3,746.74 |
| Fuel Oil (Diesel Fuel) | 37,452.42 | | 37,452.42 | | 37,452.42 |
| Gasoline | 14,788.34 | | 14,788.34 | | 14,788.34 |
| Sewer Processing and Disposal | 959.36 | 5,716.00 | 6,675.36 | 200.00 | 6,475.36 |
| Sanitary Landfill Fees | 23,114.40 | 12,788.27 | 51,902.67 | 51,902.67 | |
| Celebration of Public Events | 3,516.05 | | 3,516.05 | | 3,516.05 |
| Contingent | 19,077.50 | 2,802.50 | 21,880.00 | 4,130.64 | 17,749.36 |
| Social Security System | 20,886.29 | | 20,886.29 | | 20,886.29 |
| Public Employees' Retirement System of NJ | 10,807.31 | | 10,807.31 | 1,424.77 | 9,382.54 |
| Defined Contribution Retirement Plan | 1,878.41 | | 1,878.41 | | 1,878.41 |
| Middlesex County Utilities Authority Sewerage Treatment Contractual | 23,286.57 | | 36,286.57 | 35,552.61 | 733.96 |
| Piscataway Sewerage Authority - Share of Costs | 41,486.79 | | 41,486.79 | | 41,486.79 |
| Middlesex County Improvement Authority - Curbside Recycling Collection | 34,996.07 | 22,044.00 | 57,040.07 | 44,088.00 | 12,952.07 |
| LOSAP | 115,000.00 | | 115,000.00 | 55,200.00 | 59,800.00 |
| Stormwater Pollution Programs: NJPDES/Stormwater Permit | 2,378.32 | | 2,378.32 | | 2,378.32 |
| TOTAL | \$ 1,341,045.60 | \$ 221,696.89 | \$ 1,562,742.49 | \$ 528,805.61 | \$ 1,033,936.88 |
| <u>REF.</u> | A | A-17 | | A-4 | A-1 |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZEN AND VETERAN DEDUCTIONS

| | <u>REF.</u> | | |
|--|-------------|-----------------|---------------------|
| Balance, December 31, 2020 | A | | \$ 46,333.08 |
| Increased by: | | | |
| Deductions Per Tax Billings | A-12 | \$ 89,250.00 | |
| Deductions Allowed | A-12 | <u>3,500.00</u> | |
| | | | <u>92,750.00</u> |
| | | | \$ 139,083.08 |
| Decreased by: | | | |
| Receipts | A-4 | 84,871.23 | |
| Deductions Disallowed | A-12 | <u>160.96</u> | |
| | | | <u>85,032.19</u> |
| Balance, December 31, 2021 | A | | \$ <u>54,050.89</u> |
| <u>REVENUE REALIZED:</u> | | | |
| Deductions Per Tax Billings | A-12 | | \$ 89,250.00 |
| Deductions Allowed by Collector | A-12 | | 3,500.00 |
| Less: Deductions Disallowed by Collector | A-12 | | <u>160.96</u> |
| | A-6 | | \$ <u>92,589.04</u> |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

| | <u>REF.</u> | | |
|------------------------------------|-------------|------------------|------------------------|
| 2021 Tax Levy: | | | |
| County Tax | A-6 | \$ 6,268,807.95 | |
| County Open Space Preservation Tax | A-6 | 515,338.34 | |
| County Added | A-6 | <u>11,331.38</u> | |
| | A-1 | | \$ 6,795,477.67 |
| Decreased by: | | | |
| Payments | A-4 | | \$ <u>6,795,477.67</u> |

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

| | <u>REF.</u> | | |
|-------------------------------|-------------|----------------------|-------------------------|
| Balance, December 31, 2020 | | | |
| School Taxes Payable | A | \$ 722,740.00 | |
| Deferred School Taxes | | <u>12,568,492.00</u> | |
| | | | \$ 13,291,232.00 |
| Increased by: | | | |
| 2021 Tax Levy - Calendar Year | A-1:A-6 | | <u>26,684,052.00</u> |
| | | | 39,975,284.00 |
| Decreased by: | | | |
| Payments | A-4 | | <u>26,558,604.00</u> |
| Balance, December 31, 2021 | | | |
| School Taxes Payable | A | 848,188.00 | |
| Deferred School Taxes | | <u>12,568,492.00</u> | |
| | | | \$ <u>13,416,680.00</u> |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF PREPAID TAXES

| | | | |
|-----------------------------|-----|----|--------------------------|
| Balance, December 31, 2020 | A | \$ | 334,690.95 |
| Increased by: | | | |
| Collections of 2021 Taxes | A-4 | | <u>216,614.57</u> |
| | | \$ | <u>551,305.52</u> |
| Decreased by: | | | |
| Applied to Taxes Receivable | A-6 | | <u>334,690.95</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>216,614.57</u></u> |

"A-16"

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

| | | | |
|-----------------------------|-----|----|--------------------------|
| Balance, December 31, 2020 | A | \$ | 136,028.82 |
| Increased by: | | | |
| Collections of 2021 Taxes | A-4 | | <u>35,185.11</u> |
| | | \$ | <u>171,213.93</u> |
| Decreased by: | | | |
| Applied to Taxes Receivable | A-6 | | <u>17,462.38</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>153,751.55</u></u> |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|---|-------------|----|--------------------------|
| Balance, December 31, 2020 | A | \$ | 221,696.89 |
| Increased by: | | | |
| 2021 Appropriations | A-3 | | <u>188,886.03</u> |
| | | \$ | <u>410,582.92</u> |
| Decreased by: | | | |
| Transfer to 2020 Appropriation Reserves | A-11 | | <u>221,696.89</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>188,886.03</u></u> |

BOROUGH OF MIDDLESEX

CURRENT FUND

SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES AND RESERVES

| | BALANCE DECEMBER <u>31, 2020</u> | CASH <u>RECEIPTS</u> | CASH <u>DISBURSEMENTS</u> | BALANCE DECEMBER <u>31, 2021</u> |
|------------------------------------|--|-------------------------|------------------------------|--|
| Accounts Payable: | | | | |
| Vendor Accounts Payable | \$ 100,253.47 | \$ _____ | \$ 696.00 | \$ 99,557.47 |
| Subtotal | <u>100,253.47</u> | _____ | <u>696.00</u> | <u>99,557.47</u> |
| Reserve for: | | | | |
| Codification of Ordinances | 6,389.15 | | | 6,389.15 |
| FEMA/NJDEP Buyout | 171.76 | | | 171.76 |
| Master Plan | 1,161.96 | | | 1,161.96 |
| Tax Appeals | 24,496.20 | | | 24,496.20 |
| Sewer Overpayments | 172.49 | | | 172.49 |
| Farmers Market | 215.00 | | | 215.00 |
| RAB Payments | 500.00 | 3,000.00 | 3,000.00 | 500.00 |
| Other Liens | 35.00 | 201,595.55 | 201,595.55 | 35.00 |
| Staff Appreciation | | 18,300.02 | 370.00 | 17,930.02 |
| Marriage License Filing Fees | 1,225.00 | 1,475.00 | 2,150.00 | 550.00 |
| State Training Fees | 21,522.00 | 27,441.00 | 48,963.00 | |
| PILOT Fess due to Middlesex County | | 13,250.00 | | 13,250.00 |
| Sale of Assets - Cell Tower | <u>14,644.96</u> | _____ | _____ | <u>14,644.96</u> |
| Subtotal | <u>70,533.52</u> | <u>265,061.57</u> | <u>256,078.55</u> | <u>79,516.54</u> |
| Total | \$ <u>170,786.99</u> | \$ <u>265,061.57</u> | \$ <u>256,774.55</u> | \$ <u>179,074.01</u> |

REF.

A

A

Cash Receipts
Due Current Fund

A-4
A-10

\$ 246,761.55
18,300.02
\$ 265,061.57

Cash Disbursements
Due Current Fund

A-4
A-10

\$ 256,404.55
370.00
\$ 256,774.55

BOROUGH OF MIDDLESEX

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | BALANCE DECEMBER 31, 2020 | \$ | ACCRUED 2021 | RECEIPTS | BALANCE DECEMBER 31, 2021 |
|---|---------------------------------|----|-------------------|-------------------|---------------------------------|
| Middlesex County - Info Assist and Transp Assist - Older American Act of 1965 | 252.00 | \$ | | | 252.00 |
| Middlesex County - Info Assist and Transp Assist - Older American Act of 1965 | 5,155.00 | | | | 5,155.00 |
| Middlesex County Open Space | 667,631.79 | | | | 667,631.79 |
| Municipal Alliance on Alcoholism and Drug Abuse - 2018 | 5,280.25 | | | | 5,280.25 |
| Municipal Alliance on Alcoholism and Drug Abuse - 2019 | 6,108.66 | | | | 6,108.66 |
| Municipal Alliance on Alcoholism and Drug Abuse - 2020 | 4,080.80 | | | | 4,080.80 |
| NJ Div of Highway Traffic Safety - 2018 Udrive, Utext, Upay Community Development Block Grant | 6,600.00 | | | | 6,600.00 |
| CDBG - County HUD Funds (2012/2013-2016/2017) | 8,450.15 | | | | 8,450.15 |
| CDBG - County HUD Funds (2017/2018) | 15,346.00 | | | 1,285.02 | 14,060.98 |
| CDBG - County HUD Funds - Adjustments | 15,346.00 | | | 15,346.00 | |
| CDBG - County HUD Funds (2018/2019) | 1,249.98 | | | 1,249.98 | |
| CDBG - County HUD Funds (2019/2020) | 63,486.00 | | | 36,683.06 | 26,802.94 |
| CDBG - County HUD Funds (2020/2021) | 63,854.00 | | | 20,575.00 | 43,279.00 |
| Recycling Tonnage Grant | 26,050.98 | | | | 26,050.98 |
| Body Armor Replacement Fund - Federal | | | 4,447.58 | | 4,447.58 |
| Body Armor Replacement Fund - State of New Jersey | | | 2,280.10 | 2,280.10 | |
| Clean Communities | | | 28,014.86 | 28,014.86 | |
| Drive Sober or Get Pulled Over Year End Holiday Crackdown | | | 6,000.00 | | 6,000.00 |
| CDBG - County HUD Funds | | | 63,854.00 | | 63,854.00 |
| Drunk Driving Enforcement Fund | | | 6,268.76 | 6,268.76 | |
| Municipal Alliance on Alcoholism & Drug Abuse | | | 7,978.00 | 6,078.00 | 1,900.00 |
| Older Americans Act - Information Assistance | | | 6,500.00 | 6,500.00 | |
| Older Americans Act - Transportation Assistance | | | 10,000.00 | 10,000.00 | |
| Recycling Tonnage Grant | | | 19,686.40 | 19,686.40 | |
| | <u>888,891.61</u> | \$ | <u>155,029.70</u> | <u>153,967.18</u> | <u>889,954.13</u> |

REF.

A

A-2,A-22

A-4

A

BOROUGH OF MIDDLESEX

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

| | BALANCE DECEMBER 31, 2020 | RESERVE FOR ENCUMBRANCE DECEMBER 31, 2020 | TRANSFERRED FROM 2021 BUDGET | PAID OR CHARGED | BALANCE DECEMBER 31, 2021 |
|---|---------------------------------|---|------------------------------------|--------------------|---------------------------------|
| <u>Year 2005</u> | | | | | |
| NJ Hepatitis "B" Grant | \$ 2,549.00 | \$ | \$ | \$ | 2,549.00 |
| <u>Year 2006</u> | | | | | |
| Livable Communities Grant | 24.43 | | | | 24.43 |
| County of Middlesex - Victor Crowell Park | 198,625.66 | | | | 198,625.66 |
| <u>Year 2008</u> | | | | | |
| County of Middlesex - Mountain View Park | 3,745.75 | | | | 3,745.75 |
| <u>Year 2011</u> | | | | | |
| NJ Alcohol Education & Rehab | 1,121.54 | | | | 1,121.54 |
| <u>Year 2012</u> | | | | | |
| Haz-Mat Grant | 136.44 | | | | 136.44 |
| CDBG - Manhole Retrofit | 139.00 | | | | 139.00 |
| County of Middlesex - Mountain View Park | 119,386.51 | | | | 119,386.51 |
| NJ Alcohol Education & Rehab | 161.80 | | | | 161.80 |
| Older Americans Act - Information Assist | 167.44 | | | | 167.44 |
| <u>Year 2013</u> | | | | | |
| CDBG - Lincoln Fire House Doors | 800.00 | | | | 800.00 |
| CDBG - Passive Improvements | 365.15 | | | | 365.15 |
| NJ Alcohol Education & Rehab | 53.96 | | | | 53.96 |
| <u>Year 2014</u> | | | | | |
| NJ Alcohol Education & Rehab | 52.77 | | | | 52.77 |
| Forestry Grant Match | 875.00 | | | | 875.00 |
| NJ Clean Communities Grant | 31.45 | | | 31.45 | |

BOROUGH OF MIDDLESEX

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

| | BALANCE DECEMBER 31, 2020 | RESERVE FOR ENCUMBRANCE DECEMBER 31, 2020 | TRANSFERRED FROM 2021 BUDGET | PAID OR CHARGED | BALANCE DECEMBER 31, 2021 |
|---|---------------------------------|---|------------------------------------|--------------------|---------------------------------|
| <u>Year 2015</u> | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse | 575.26 | | | | 575.26 |
| <u>Year 2016</u> | | | | | |
| NJ Alcohol Education & Rehab | 362.59 | | | | 362.59 |
| Municipal Alliance on Alcoholism and Drug Abuse | 20,965.00 | | | | 20,965.00 |
| CDBG - Senior Center Improvements | 7,146.00 | | | | 7,146.00 |
| DWI - Municipal Court | 58.93 | | | | 58.93 |
| Middlesex County Open Space | 130,506.59 | 61,046.61 | | | 191,553.20 |
| <u>Year 2017</u> | | | | | |
| Body Armor Replacement Fund | 1,601.40 | | | 1,601.40 | |
| Drunk Driving Enforcement Fund | | 28.25 | | 18.17 | 10.08 |
| Clean Communities Grant | 217.60 | | | 217.60 | |
| Municipal Alliance on Alcoholism and Drug Abuse | 27,973.68 | | | | 27,973.68 |
| NJ Alcohol Education & Rehab | 64.34 | | | | 64.34 |
| Older Americans Act - Information Assist | 20,950.00 | | | 2,648.50 | 18,301.50 |
| <u>Year 2018</u> | | | | | |
| Body Armor Replacement Fund | 3,320.96 | | | 2,180.40 | 1,140.56 |
| Clean Communities Grant | 255.56 | | | 255.56 | |
| CDBG | 12,237.94 | | | | 12,237.94 |
| Drunk Driving Enforcement Fund | 4,441.14 | 140.20 | | 1,418.58 | 3,162.76 |
| NJ Alcohol Education & Rehab | 2,196.67 | | | | 2,196.67 |
| Older Americans Act - Information Assist | 552.85 | | | | 552.85 |
| <u>Year 2019</u> | | | | | |
| Body Armor Replacement Fund | 108.76 | | | | 108.76 |
| CDBG | | | | | |
| Senior Van Driver | 5,907.00 | | | 5,907.00 | |
| Senior Center Improvements | 29,911.00 | | | 3,507.00 | 26,404.00 |
| Clean Communities Grant | 23,307.90 | | | 23,307.90 | |
| Clean Communities Grant - CH 159 | 29,194.76 | | | 15,800.75 | 13,394.01 |
| Drunk Driving Enforcement Fund | 1,744.50 | | | (4,570.03) | 6,314.53 |
| Municipal Alliance on Alcoholism and Drug Abuse | 1,637.80 | | | | 1,637.80 |
| NJ Alcohol Education & Rehab | 562.62 | | | | 562.62 |
| Recycling Tonnage Grant | 336.20 | | | 336.20 | |

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

| | BALANCE DECEMBER 31, 2020 | RESERVE FOR ENCUMBRANCE DECEMBER 31, 2020 | TRANSFERRED FROM 2021 BUDGET | PAID OR CHARGED | BALANCE DECEMBER 31, 2021 |
|---|---------------------------------|---|------------------------------------|--------------------|---------------------------------|
| <u>Year 2020</u> | | | | | |
| Recycling Tonnage Grant | 15,524.91 | 2,385.57 | | 16,661.48 | 1,249.00 |
| Community Development Block Grant | 63,854.00 | | | 33,575.00 | 30,279.00 |
| Municipal Alliance on Alcoholism and Drug Abuse | 6,078.00 | | | 6,078.00 | |
| Municipal Alliance on Alcoholism and Drug Abuse - Match | 4,873.50 | | | 784.34 | 4,089.16 |
| NJ Alcohol Education & Rehab | 3,834.28 | | | | 3,834.28 |
| Body Armor Grant | 3,101.97 | | | | 3,101.97 |
| Clean Communities Grant | 26,323.50 | | | | 26,323.50 |
| <u>Year 2021</u> | | | | | |
| Recycling Tonnage Grant | | | 19,686.40 | 7,004.26 | 12,682.14 |
| Clean Communities Program | | | 28,014.86 | | 28,014.86 |
| CDBG | | | 63,854.00 | | 63,854.00 |
| Drive Sober or Get Pulled Over Year End Holiday Crackdown | | | 6,000.00 | 720.00 | 5,280.00 |
| Municipal Alliance on Alcohol & Drug Abuse | | | 7,978.00 | 6,948.05 | 1,029.95 |
| Municipal Alliance on Alcohol & Drug Abuse - Match | | | 1,994.50 | 265.95 | 1,728.55 |
| Body Armor Grant - Federal | | | 4,447.58 | | 4,447.58 |
| Body Armor Grant - State | | | 2,280.10 | | 2,280.10 |
| Drunk Driving Enforcement Fund | | | 6,268.76 | | 6,268.76 |
| Older Americans Act | | | 16,500.00 | 14,132.00 | 2,368.00 |
| | \$ 777,963.11 | \$ 63,600.63 | \$ 157,024.20 | \$ 138,829.56 | \$ 859,758.38 |
| REF. | A | A | A-3,A-22 | | A |
| Disbursements (Net of Refunds) | | | | \$ 131,556.80 | |
| Encumbrances Payable | | | | 7,272.76 | |
| | | | | \$ 138,829.56 | |

BOROUGH OF MIDDLESEX

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

| <u>DESCRIPTION</u> | BALANCE DECEMBER 31, 2020 | CASH RECEIPTS | BALANCE DECEMBER 31, 2021 |
|--------------------------|---------------------------------|------------------|---------------------------------|
| American Rescue Plan Act | \$ _____ | \$ 594,710.39 | \$ 594,710.39 |
| | \$ _____ | \$ 594,710.39 | \$ 594,710.39 |
| <u>REF.</u> | A | A-4 | A |

"A-22"

BOROUGH OF MIDDLESEX

GRANT FUND

SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE - GRANT FUND

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>GENERAL CAPITAL FUND</u> | <u>SWIMMING POOL OPERATING FUND</u> |
|-----------------------------|-------------|--------------|---------------------|-----------------------------|-------------------------------------|
| Balance, December 31, 2020: | | | | | |
| Interfunds Receivable | A | \$ 23,775.00 | \$ | \$ 23,775.00 | \$ |
| Interfunds Payable | A | 71,102.87 | 71,102.87 | | |
| Grant Revenues | A-19 | 155,029.70 | 155,029.70 | | |
| Grant Appropriations | A-20 | 157,024.20 | 157,024.20 | | |
| Receipts | A-4 | 123,164.69 | 1,994.50 | | 121,170.19 |
| Disbursements | A-4 | 195,734.58 | 74,564.39 | | 121,170.19 |
| Balance, December 31, 2021: | | | | | |
| Interfunds Receivable | A | \$ 27,236.52 | \$ 3,461.52 | \$ 23,775.00 | \$ |

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF CASH-TREASURER

| REF. | ASSESSMENT | ANIMAL CONTROL | TRUST OTHER | ESCROW TRUST | PAYROLL FUND | PUBLIC ASSISTANCE TRUST |
|--|--------------|----------------|-----------------|-----------------|-----------------|-------------------------|
| Balance, December 31, 2020 | \$ 11,889.07 | \$ 24,938.14 | \$ 706,861.00 | \$ 1,018,902.21 | \$ 167,306.02 | \$ 9,836.41 |
| Increased by Receipts: | | | | | | |
| Due Current Fund | 72.90 | | | | | |
| Animal Control Licenses | | 4,850.08 | | | | |
| Due State of New Jersey - Dog Licenses | | 691.80 | | | | |
| Reserve for Various Trust Deposits | | | 1,647,151.60 | | | |
| Reserve for Developers Deposits | | | | 183,782.06 | | |
| Reserve for Public Assistance | | | | | 9,580,475.46 | 60.11 |
| Reserve for Payroll Deductions | | | | | 1,375.96 | |
| Interfunds | | | 18,300.02 | | | |
| B-13,B-14 | \$ 72.90 | \$ 5,541.88 | \$ 1,665,451.62 | \$ 183,782.06 | \$ 9,581,851.42 | \$ 60.11 |
| Decreased by Disbursements: | | | | | | |
| Due Current Fund | | | | | | |
| Animal Control Licenses | | 218.00 | | | | |
| Due State of New Jersey - Dog Licenses | | 684.00 | | | | |
| Reserve for Various Trust Deposits | | | 332,332.54 | | | |
| Reserve for Developers Deposits | | | | 590,804.84 | | |
| Reserve for Public Assistance | | | | | 9,635,650.50 | 63.45 |
| Reserve for Payroll Deductions | | | | | 1,305.85 | |
| Interfunds | | 902.00 | 370.00 | | | |
| B-13,B-14 | | | 332,702.54 | 590,804.84 | 9,636,956.35 | 63.45 |
| Balance, December 31, 2021 | \$ 11,961.97 | \$ 29,578.02 | \$ 2,039,610.08 | \$ 611,879.43 | \$ 112,201.09 | \$ 9,833.07 |

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

ASSESSMENT TRUST FUND

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>BALANCE DECEMBER 31, 2021</u> | <u>BALANCE PLEGDED TO GENERAL CAPITAL</u> |
|------------------|--------------------------------|--|--|---|
| 01/10/03 | Curbs and Gutters | \$ <u>1,470.00</u> | \$ <u>1,470.00</u> | \$ <u>1,470.00</u> |
| | | \$ <u>1,470.00</u> | \$ <u>1,470.00</u> | \$ <u>1,470.00</u> |
| | | <u>REF.</u> | <u>B</u> | <u>B</u> |

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL TRUST FUND

| | <u>REF.</u> | | |
|---|-------------|---------------|----------------------------|
| Balance, December 31, 2020 | B | | \$ 12,048.46 |
| Increased by: | | | |
| Dog License Fees | B-2 | \$ 4,374.33 | |
| Cat License Fees | B-2 | 475.75 | |
| Cancel prior year amount Due to State of NJ | B-5 | <u>1.20</u> | |
| | | | \$ <u>4,851.28</u> |
| | | | \$ <u>16,899.74</u> |
| Decreased by: | | | |
| Excess Transferred To Current Fund | B-12 | 5,641.74 | |
| Disbursements | B-2 | <u>218.00</u> | |
| | | | <u>5,859.74</u> |
| Balance, December 31, 2021 | B | | \$ <u><u>11,040.00</u></u> |

| <u>LICENSE FEES COLLECTED</u> | |
|-------------------------------|----------------------------|
| <u>YEAR</u> | <u>AMOUNT</u> |
| 2019 | \$ 5,700.28 |
| 2020 | <u>5,339.72</u> |
| | \$ <u><u>11,040.00</u></u> |

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL TRUST FUND

| | | | | |
|---|-----|----|-------------|--------------------|
| Balance, December 31, 2020 | B | | \$ | 1.20 |
| Increased by: | | | | |
| Receipts | B-2 | | | <u>691.80</u> |
| | | | \$ | <u>693.00</u> |
| Decreased by: | | | | |
| Disbursements | B-2 | \$ | 684.00 | |
| Cancel prior year amount Due to State of NJ | B-4 | | <u>1.20</u> | |
| | | | | <u>685.20</u> |
| Balance, December 31, 2021 | B | | \$ | <u><u>7.80</u></u> |

"B-6"

BOROUGH OF MIDDLESEX
TRUST FUND
SCHEDULE OF DUE TO GENERAL CAPITAL FUND
ASSESSMENT TRUST FUND

REF.

| | | |
|----------------------------|---|--------------------|
| Balance, December 31, 2020 | B | \$ 7,164.08 |
| Balance, December 31, 2021 | B | \$ <u>7,164.08</u> |

"B-7"

SCHEDULE OF DUE TO CURRENT FUND
ASSESSMENT TRUST FUND

| | | |
|--------------------------------|-----|------------------|
| Balance, December 31, 2020 | B | \$ 629.22 |
| Increased by: Cash Receipts | B-2 | <u>72.90</u> |
| Balance, December 31, 2021 | B | \$ <u>702.12</u> |

BOROUGH OF MIDDLESEXTRUST FUNDSCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITSOTHER TRUST FUND

| | BALANCE DECEMBER 31, 2020 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2021 |
|-------------------------------------|---------------------------------|------------------------|----------------------|---------------------------------|
| Reserve for Unemployment | \$ 192,617.04 | \$ 1,164.09 | \$ 3,236.62 | \$ 190,544.51 |
| Miscellaneous Reserves: | | | | |
| Accumulated Absence Liability | | 15,828.51 | | 15,828.51 |
| Affordable Housing | 100,333.69 | 1,035,487.67 | | 1,135,821.36 |
| Baekeland Avenue Improvements | | 277,156.15 | | 277,156.15 |
| Commodity Resale Program | | | | |
| Gasoline - Borough of Dunellen | 156,120.80 | 59,614.66 | 133,683.60 | 82,051.86 |
| Developers Escrow Unclaimed Funds | 15,812.00 | | | 15,812.00 |
| Development | 24,667.54 | | 5,316.00 | 19,351.54 |
| Non-Residential Development | | 62,913.39 | | 62,913.39 |
| Federal Asset Forfeitures | 4,836.91 | 82.31 | | 4,919.22 |
| Municipal Law Enforcement Trust | 18,964.44 | 116.26 | | 19,080.70 |
| Older Americans Act | 1,336.18 | 3,969.30 | 4,202.00 | 1,103.48 |
| Outside Police Services | 8,773.16 | | 1,696.80 | 7,076.36 |
| Police Found Money | 3,350.36 | 2,198.88 | 1,500.00 | 4,049.24 |
| Parking Offense Adjudication Act | 3,930.50 | 40.00 | 986.88 | 2,983.62 |
| Police Application Fees | 318.85 | | | 318.85 |
| Public Defender Fees | 1,707.50 | 1,350.00 | 790.00 | 2,267.50 |
| Police Communities Education | 4,730.64 | 700.00 | 350.42 | 5,080.22 |
| Premium on Tax Sale | 327,900.00 | 69,500.00 | 129,400.00 | 268,000.00 |
| Police Memorial Fund | 50.00 | | | 50.00 |
| Police Donations | 6,903.23 | 50.00 | | 6,953.23 |
| Police - DARE | 1,635.00 | | | 1,635.00 |
| Police 911 Fund | 19.84 | | | 19.84 |
| Recreation Fund | 104,325.33 | 70,270.45 | 29,019.35 | 145,576.43 |
| Recycling Trust | 25,707.68 | 23,159.93 | 13,775.87 | 35,091.74 |
| Restitution | 5,782.99 | | | 5,782.99 |
| Sanitary Sewer | 880.00 | | | 880.00 |
| Senior Assisted Transportation | 9,232.76 | 550.00 | 200.00 | 9,582.76 |
| Special Inspection | 3,672.28 | | | 3,672.28 |
| Street Opening Deposits | 144,470.81 | 22,500.00 | 1,875.00 | 165,095.81 |
| Third Party Outside Lien Redemption | 97,602.44 | | | 97,602.44 |
| Tree Replacement Fund | 45,762.06 | 500.00 | 6,300.00 | 39,962.06 |
| UFC Dedication Penalties | 53.86 | | | 53.86 |
| Uniform Fire Safety Penalties | 12,405.53 | | | 12,405.53 |
| 100th Anniversary | 2,993.27 | | | 2,993.27 |
| | <u>\$ 1,326,896.69</u> | <u>\$ 1,647,151.60</u> | <u>\$ 332,332.54</u> | <u>\$ 2,641,715.75</u> |
| | REF. | B-2 | B-2 | |
| Reserve for Unemployment | B \$ 192,617.04 | | | \$ 190,544.51 |
| Various Trust Deposits | B <u>1,134,279.65</u> | | | <u>2,451,171.24</u> |
| | <u>\$ 1,326,896.69</u> | | | <u>\$ 2,641,715.75</u> |

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPERS' DEPOSITS
OTHER TRUST FUND

| | BALANCE DECEMBER 31, <u>2020</u> | RECEIPTS | DISBURSEMENTS | BALANCE DECEMBER 31, <u>2021</u> |
|-----------------------------------|--|----------------------|----------------------|--|
| Developers' Escrow - Water & Soil | \$ 20,062.00 | \$ | \$ | \$ 20,062.00 |
| Reserve for Various Deposits | <u>998,840.21</u> | <u>183,782.06</u> | <u>590,804.84</u> | <u>591,817.43</u> |
| | <u>\$ 1,018,902.21</u> | <u>\$ 183,782.06</u> | <u>\$ 590,804.84</u> | <u>\$ 611,879.43</u> |
| <u>REF.</u> | B | B-2 | B-2 | B |

"B-10"

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

PUBLIC ASSISTANCE TRUST FUND

REF.

| | | | |
|----------------------------|-----|----|------------------------|
| Balance, December 31, 2020 | B | \$ | 9,836.41 |
| Increased by: | | | |
| Cash Receipts | B-2 | | <u>60.11</u> |
| | | \$ | <u>9,896.52</u> |
| Decreased by: | | | |
| Cash Disbursements | B-2 | \$ | <u>63.45</u> |
| Balance, December 31, 2021 | B | \$ | <u><u>9,833.07</u></u> |

"B-11"

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

OTHER TRUST FUND

| | | | |
|----------------------------|-----|----|--------------------------|
| Balance, December 31, 2020 | B | \$ | 167,306.02 |
| Increased by: | | | |
| Cash Receipts | B-2 | | <u>9,580,475.46</u> |
| | | \$ | <u>9,747,781.48</u> |
| Decreased by: | | | |
| Cash Disbursements | B-2 | | <u>9,635,650.50</u> |
| Balance, December 31, 2021 | B | \$ | <u><u>112,130.98</u></u> |

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF DUE TO CURRENT FUND

ANIMAL CONTROL FUND

REF.

| | | | |
|--------------------------------------|-----|----|-------------------------|
| Balance, December 31, 2020 | B | \$ | 12,888.48 |
| Increased by: | | | |
| Statutory Excess Due to Current Fund | B-4 | | <u>5,641.74</u> |
| Balance, December 31, 2021 | B | \$ | <u><u>18,530.22</u></u> |

BOROUGH OF MIDDLESEX

TRUST FUND

SCHEDULE OF INTERFUNDS RECEIVABLE

OTHER TRUST FUND

| | <u>REF.</u> | <u>DUE FROM CURRENT FUND</u> | <u>DUE FROM GENERAL CAPITAL FUND</u> |
|---------------------------|-------------|--------------------------------------|--|
| Balance December 31, 2020 | B | \$ 97,248.68 | \$ 522,787.01 |
| Increased by: | | | |
| Cash Disbursements | B-2 | <u>370.00</u> | <u> </u> |
| | | 97,618.68 | 522,787.01 |
| Decreased by: | | | |
| Cash Receipts | B-2 | <u>18,300.02</u> | <u> </u> |
| Balance December 31, 2021 | B | <u>\$ 79,318.66</u> | <u>\$ 522,787.01</u> |

BOROUGH OF MIDDLESEX

PAYROLL TRUST FUND

SCHEDULE OF DUE TO CURRENT FUND

| | <u>REF.</u> | | |
|---------------------------|-------------|----|---------------------|
| Increased by: | | | |
| Cash Receipts | B-2 | \$ | 1,375.96 |
| Decreased by: | | | |
| Cash Disbursements | B-2 | | <u>1,305.85</u> |
| Balance December 31, 2021 | B | \$ | <u><u>70.11</u></u> |

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|--|-------------|-------------------|-------------------------------|
| Balance, December 31, 2020 | C | | \$ 1,726,093.92 |
| Increased by Receipts: | | | |
| Deferred Charges to Future Taxation - Unfunded | C-5 | \$ 160,000.00 | |
| Bond Anticipation Notes Payable | C-17 | 1,442,149.00 | |
| Reserve for Payment of Debt Service - Premium on BAN | C-19 | 56,943.53 | |
| State Aid Receivable | C-16 | 350,983.35 | |
| Capital Improvement Fund | C-8 | <u>80,000.00</u> | |
| | | | <u>2,090,075.88</u> |
| | | | \$ <u>3,816,169.80</u> |
| Decreased by Disbursements: | | | |
| Fund Balance - Surplus Anticipated in Current Fund | C-1 | 216,688.91 | |
| Contracts Payable | C-7 | 1,686,430.34 | |
| Bond Anticipation Notes Payable | C-17 | <u>160,000.00</u> | |
| | | | <u>2,063,119.25</u> |
| Balance, December 31, 2021 | C | | \$ <u><u>1,753,050.55</u></u> |

"C-3"

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

ANALYSIS OF CASH

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|--|-------------|--|
| Fund Balance | | \$ 197,797.58 |
| Capital Improvement Fund | | 24,862.43 |
| Improvement Authorizations-Funded | | 1,093,521.46 |
| Unfunded Improvements Expended - Listed on "C-5" | | (1,986,396.30) |
| Contracts Payable | | 2,342,503.22 |
| Reserve for Grant Receivable | | 559,772.11 |
| Reserve for Capital Projects | | 4,838.08 |
| Reserve for Payment of Debt Service | | 56,943.53 |
| Unexpended Proceeds of Bond Anticipation Notes - Listed on "C-5" | | 1,750,300.86 |
| Interfunds | | 638,032.85 |
| State Aid Receivable | | (2,947,534.42) |
| Excess BAN's - Listed on 'C-5" | | <u>18,409.15</u> |
| | C | \$ <u><u>1,753,050.55</u></u> |

"C-4"

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

| | | |
|------------------------------------|------|-------------------------------|
| Balance, December 31, 2020 | C | \$ 6,235,729.51 |
| Decreased by: | | |
| Appropriation to Pay Bonds | C-11 | \$ 1,000,500.00 |
| Environmental Infrastructure Trust | C-12 | 41,340.64 |
| Environmental Infrastructure Fund | C-13 | 43,097.70 |
| Capital Leases | C-14 | 205,000.00 |
| Green Trust | C-15 | <u>12,427.35</u> |
| | | <u>1,302,365.69</u> |
| Balance, December 31, 2021 | C | \$ <u><u>4,933,363.82</u></u> |

BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | 2021 | | | | ANALYSIS OF BALANCE DECEMBER 31, 2021 | | | |
|------------------|--|---------------------------|------------------------|----------------------|---------------------------|---------------------------------------|----------------------|------------------------|---------------------------------------|
| | | BALANCE DECEMBER 31, 2020 | AUTHORIZATIONS | BUDGET APPROPRIATION | BALANCE DECEMBER 31, 2021 | BOND ANTICIPATION NOTES | NJEIT NOTE | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| 1808-12 | Acquisition and Demolition of Certain Flood Prone Properties | \$ 166,547.55 | \$ | \$ | \$ 166,547.55 | \$ | \$ | \$ 78,131.56 | \$ 86,415.99 |
| 1857-14 | Improvements to Marlborough Ave - (NJDOT - \$300,000) | 30,400.00 | | | 30,400.00 | | | 4,823.27 | 25,576.73 |
| 1893-16 | Various Capital Improvements | 989,780.00 | | 40,000.00 | 949,780.00 | 949,780.00 | | | |
| 1907-17/ | Sanitary Sewer Improvements | 2,327,500.00 | 500,000.00 | | 2,827,500.00 | | | 1,752,002.60 | 176,608.40 |
| 2040-21 | Amend Ordinance 1907-17 | | | | | | | 100,000.00 | |
| 1909-17 | South Ave Improvements | 100,000.00 | | | 100,000.00 | | | | |
| 1920-17 | 2017 Capital Improvements | 1,745,625.00 | | 84,500.00 | 1,661,125.00 | 1,661,125.00 | | | |
| 1922-17 | Warrenville Road Improvements | 380,000.00 | | 9,500.00 | 370,500.00 | 166,225.00 | | 51,438.87 | 152,836.13 |
| 1924-17 | George Ave Improvements | 488,870.00 | | 26,000.00 | 462,870.00 | 462,870.00 | | | |
| 1947-18 | Various Capital Improvements | 1,740,159.24 | | | 1,740,159.24 | 1,740,159.00 | | | 0.24 |
| 1961-19 | Various Capital Improvements | 62,800.00 | | | 62,800.00 | 62,800.00 | | | |
| 1962-19 | Bound Brook | 104,440.00 | | | 104,440.00 | 104,440.00 | | | |
| 1975-19 | Sewer Study and Improvements | 47,500.00 | | | 47,500.00 | 47,500.00 | | | |
| 1979-19 | Tax Maps, Various Capital Improvements | 1,179,775.35 | | | 1,179,775.35 | 1,179,775.35 | | | |
| 2002-20 | Various Acquisitions and Improvements | 1,439,589.50 | | | 1,439,589.50 | 1,439,589.50 | | | |
| 2039-21 | Various Capital Improvements | | 1,567,700.00 | | 1,567,700.00 | | | | 1,567,700.00 |
| | | <u>\$ 10,802,986.64</u> | <u>\$ 2,067,700.00</u> | <u>\$ 160,000.00</u> | <u>\$ 12,710,686.64</u> | <u>\$ 7,814,263.85</u> | <u>\$ 898,891.00</u> | <u>\$ 1,986,396.30</u> | <u>\$ 2,011,135.49</u> |

REF. C C-10 C-2 C C-3

Bond Anticipation Notes Payable
Less: Cash on Hand to Pay Notes

\$ 7,832,673.00
18,409.15
\$ 7,814,263.85

Improvement Authorizations Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes

\$ 3,761,436.35
(1,750,300.86)
\$ 2,011,135.49

"C-6"

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INSURANCE REFUND

REF.

| | | | |
|---|---|----|-----------------|
| Balance, December 31, 2021 and December 31, 2020 | C | \$ | <u>4,838.08</u> |
|---|---|----|-----------------|

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

| | | | |
|----------------------------|------|----|---------------------|
| Balance, December 31, 2020 | C | \$ | 1,270,876.06 |
| Increased by: | | | |
| Improvement Authorizations | C-10 | | <u>4,028,933.56</u> |
| | | \$ | <u>5,299,809.62</u> |
| Decreased by: | | | |
| Improvement Authorizations | C-10 | \$ | 1,270,876.06 |
| Disbursements | C-2 | | <u>1,686,430.34</u> |
| | | | <u>2,957,306.40</u> |
| Balance, December 31, 2021 | C | \$ | <u>2,342,503.22</u> |

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|--|-------------|----------------------------|
| Balance, December 31, 2020 | C | \$ 23,287.43 |
| Increased by: | | |
| 2021 Appropriations | C-2 | <u>80,000.00</u> |
| | | \$ <u>103,287.43</u> |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | C-10 | <u>78,425.00</u> |
| Balance, December 31, 2021 | C | \$ <u><u>24,862.43</u></u> |

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOAN

| | <u>REF.</u> | |
|---|-------------|----------------------|
| Balance, December 31, 2021 and Balance December 31, 2020 | C | \$ <u>898,891.00</u> |

BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | IMPROVEMENT AUTHORIZATIONS | DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2020 | | NEW AUTHORIZATIONS | 2020 CONTRACTS PAYABLE | 2021 CONTRACTS PAYABLE | BALANCE DECEMBER 31, 2021 | |
|------------------|--|----------|------------------|---------------------------|---------------|--------------------|------------------------|------------------------|---------------------------|-----------------|
| | | | | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 1808-12 | Acquisition and Demolition of Certain Flood Prone Properties | 03/27/12 | \$ 2,540,000.00 | \$ | \$ 88,415.99 | \$ | \$ | \$ | \$ | \$ 88,415.99 |
| 1855-14 | Various Capital Improvements (MCIA) | 09/09/14 | 888,325.00 | | | | 23,425.00 | | | 152,836.13 |
| 1857-14 | Improvements to Manborough Ave - (NJDOT - \$300,000) | 09/09/14 | 332,000.00 | | 25,576.73 | | | | | 25,576.73 |
| 1893-16 | Various Capital Improvements | 08/09/16 | 1,393,000.00 | | 40,149.13 | | | | | 40,708.95 |
| 1899-16 | Various Capital Improvements | 10/11/16 | 614,202.14 | | 82,932.49 | | | | | 82,932.49 |
| 1900-16 | Milling and Paving of Various Roads | 10/11/16 | 300,000.00 | | 98,968.74 | | | | | 98,968.74 |
| 1907-17/1 | Sanitary Sewer Improvements | 02/14/17 | 2,450,000.00 | | 507,432.88 | 500,000.00 | 513,441.40 | 1,344,267.88 | | 176,606.40 |
| 2040-21 | Amend Ordinance 1907-17 | 09/14/21 | 500,000.00 | | 47,891.19 | | 53,099.24 | 34,932.92 | | 66,057.51 |
| 1920-17 | 2017 Capital Improvements | 05/23/17 | 1,837,500.00 | | 152,836.13 | | | | | 152,836.13 |
| 1922-17 | Warrville Road Improvements | 07/25/17 | 400,000.00 | | 48,729.32 | | | | | 48,729.32 |
| 1924-17 | George Ave Improvements | 09/19/17 | 514,600.00 | | 234,976.78 | | | | | 210,307.92 |
| 1947-18 | Various Capital Improvements | 08/14/18 | 1,981,185.00 | | 96,462.60 | | 15,946.25 | 40,615.11 | | 3.89 |
| 1961-19 | Various Capital Improvements | 06/11/19 | 620,000.00 | | 467,684.70 | | 2,023.10 | 566,166.51 | | 104,440.00 |
| 1962-19 | Bound Brook | 06/11/19 | 1,135,000.00 | | 945,915.26 | | 135,462.78 | 189,677.78 | | 787,260.26 |
| 1968-19 | 2019 Library HVAC & Tax Revaluation | 08/13/19 | 344,816.68 | | 86,171.68 | | 219,195.00 | 219,195.00 | | 86,171.68 |
| 1979-19 | Tax Maps, Various Capital Improvements | 10/22/19 | 1,258,553.00 | | 593,401.42 | | 92,774.60 | 219,063.62 | | 467,112.40 |
| 2002-20 | Various Acquisitions and Improvements | 06/23/20 | 2,031,210.00 | | 123,880.77 | | 207,731.35 | 958,260.51 | | 812,941.11 |
| 2039-21 | Various Capital Improvements | 08/24/21 | 2,032,000.00 | | | 2,032,000.00 | | 428,111.71 | | 1,567,700.00 |
| | | | | | \$ 773,466.70 | \$ 4,307,548.61 | \$ 1,270,876.06 | \$ 4,028,933.56 | \$ 1,093,521.46 | \$ 3,761,436.35 |

REE.

Bonds and Notes
Grants Receivable
Capital Improvement Fund

\$ 2,067,700.00
385,875.00
78,425.00
\$ 2,532,000.00

C-5
C-16
C-8

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BOROUGH OF MIDDLESEX

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</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>DECREASE</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|---|----------------------|-----------------------|--|---------------|----------------------|----------------------------------|------------------------|----------------------------------|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| General Obligation Bonds of 2015 | 07/16/15 | \$ 2,878,000.00 | 07/15/22 | \$ 301,000.00 | 2.000% | \$ 1,544,500.00 | \$ 290,500.00 | \$ 1,254,000.00 |
| | | | 07/15/23 | 308,000.00 | 2.000% | | | |
| | | | 07/15/24 | 318,500.00 | 2.500% | | | |
| | | | 07/15/25 | 326,500.00 | 2.500% | | | |
| General Obligation Refunding Bonds 2019 | 12/05/19 | 3,700,000.00 | 02/15/22 | 740,000.00 | 4.000% | 3,700,000.00 | 710,000.00 | 2,990,000.00 |
| | | | 02/15/23 | 745,000.00 | 5.000% | | | |
| | | | 02/15/24 | 755,000.00 | 5.000% | | | |
| | | | 02/15/25 | 750,000.00 | 5.000% | | | |
| | | | | | | <u>\$ 5,244,500.00</u> | <u>\$ 1,000,500.00</u> | <u>\$ 4,244,000.00</u> |
| | | | | | | \$ | REF. | |
| | | | | | | C | C-4 | C |

BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND

SCHEDULE OF STATE OF NEW JERSEY TRUST LOAN PAYABLE - NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>DATE</u> | <u>PRINCIPAL REQUIREMENTS OF LOAN OUTSTANDING</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|--|----------------------|-----------------------|-------------|---|---------------|----------------------|----------------------------------|------------------|----------------------------------|
| | | | | <u>DECEMBER 31, 2021</u> | <u>AMOUNT</u> | | | | |
| NJ Environmental Infrastructure Trust 2004 A | 08/01/05 | \$ 850,000.00 | 08/01/22 | \$ 45,607.96 | 5.000% | \$ 197,163.70 | \$ 41,340.64 | \$ 155,823.06 | |
| | | | 08/01/23 | 55,174.08 | 3.000% | | | | |
| | | | 08/01/24 | 55,041.02 | 3.250% | | | | |
| | | | | | | \$ 197,163.70 | \$ 41,340.64 | \$ 155,823.06 | |
| | | | | | | \$ 197,163.70 | \$ 41,340.64 | \$ 155,823.06 | |

REF.

C

C-4

C

C

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF STATE OF NEW JERSEY FUND LOAN PAYABLE - NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FUND LOANS

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>PRINCIPAL REQUIREMENTS OF LOAN OUTSTANDING</u> | <u>BALANCE</u> | | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|--|----------------------|-----------------------|---|--------------------------|--------------------------|---------------------|----------------------------------|
| | | | | <u>DECEMBER 31, 2021</u> | <u>DECEMBER 31, 2020</u> | | |
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | |
| NJ Environmental Infrastructure Trust 2004 A | 08/01/05 | \$ 844,828.00 | 02/01/22 | 2,794.83 | | | |
| | | | 08/01/22 | 41,764.22 | | | |
| | | | 02/01/23 | 1,820.60 | | | |
| | | | 08/01/23 | 33,050.46 | | 43,097.70 | 79,429.81 |
| | | | | | 122,527.51 | | |
| | | | | | <u>\$ 122,527.51</u> | <u>\$ 43,097.70</u> | <u>\$ 79,429.81</u> |
| | | | <u>REF.</u> | | C | C-4 | C |

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL LEASES PAYABLE

| <u>PURPOSE</u> | <u>AMOUNT OF LOAN</u> | <u>FEE PAYABLE</u> | <u>MATURITIES OF BONDS OUTSTANDING</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>DECREASE</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|--------------------------|---------------------------|------------------------|---|--------------------------|--|-----------------|--|
| | | | | | | | |
| Capital Equipment - 2013 | \$ 2,900,567.38 | \$ 56,064.13 | 08/15/22 \$ 215,000.00 08/15/23 220,000.00 | 4.000% 4.000% | \$ 640,000.00 | \$ 205,000.00 | \$ 435,000.00 |
| | | | | | \$ 640,000.00 | \$ 205,000.00 | \$ 435,000.00 |

REF.

C

C-4

C

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF STATE OF NEW JERSEY LOAN PAYABLE - GREEN TRUST LOAN PROGRAM

| <u>PAYMENT NUMBER</u> | <u>PAYMENT DATE</u> | <u>INTEREST PAYMENTS</u> | <u>PRINCIPAL PAYMENTS</u> | <u>BALANCE LOANS PAYABLE</u> |
|--|---------------------|--------------------------|---------------------------|------------------------------|
| | | | | \$ 19,110.95 |
| 37 | January 15, 2022 | \$ 191.11 | \$ 6,307.03 | 12,803.92 |
| 38 | July 15, 2022 | 128.04 | 6,370.10 | 6,433.82 |
| 39 | January 15, 2023 | <u>64.30</u> | <u>6,433.82</u> | - |
| Total Balane Due Principal and Interest | | \$ <u>383.45</u> | \$ <u>19,110.95</u> | |
| | <u>REF.</u> | | C | |
| 35 | January 15, 2021 | \$ 315.38 | \$ 6,182.76 | |
| 36 | July 15, 2021 | <u>253.56</u> | <u>6,244.59</u> | |
| | | \$ <u>568.94</u> | \$ <u>12,427.35</u> | |
| | <u>REF.</u> | | C-4 | |

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF STATE AID RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-------------------------------|
| Balance, December 31, 2020 | C | \$ 2,912,642.77 |
| Increased by: | | |
| New Grants Awarded | C-10 | 385,875.00 |
| | | \$ <u>3,298,517.77</u> |
| Decreased By: | | |
| Receipts | C-2 | <u>350,983.35</u> |
| Balance, December 31, 2021 | C | \$ <u><u>2,947,534.42</u></u> |

Analysis of Balance:

| | | |
|--|---------|-------------------------------|
| Federal Homeland Security | 1643-05 | \$ 24,000.00 |
| Middlesex County | 1643-05 | 35,966.00 |
| Recycling Trust | 1676-05 | 2,350.00 |
| State of NJ DCA - Livable Communities | 1688-06 | 130.00 |
| Federal Homeland Security | 1688-06 | 8,805.00 |
| State of NJ DOT - Beechwood Ave | 1715-07 | 69,476.44 |
| State of NJ DOT - Greenbrook Road | 1736-08 | 56,250.00 |
| State of NJ DOT - Beechwood Ave | 1772-10 | 16,361.77 |
| State of NJ DOT - Parker Street | 1797-11 | 15,238.34 |
| State of NJ OEM | 1808-12 | 140,250.00 |
| Federal Emergency Management Agency (FEMA) | 1808-12 | 26,297.55 |
| Various Capital Improvements (MCIA) | 1855-14 | 125,000.00 |
| State of NJ DOT - Marlborough Avenue | 1857-14 | 22,708.56 |
| State of NJ DOT - Warrentville Road | 1893-16 | 83,478.74 |
| State of NJ DOT - South Avenue | 1909-17 | 100,000.00 |
| Due from Township of Piscataway - South Avenue | 1909-17 | 25,199.16 |
| State of NJ DOT - Runyon Avenue | 1947-18 | 48,371.21 |
| State of NJ DOT - Harris Avenue, Ashland Road, Fischer Ave | 1961-19 | 557,200.00 |
| State of NJ DOT - Bound Brook Road | 1962-19 | 1,030,560.00 |
| State of NJ DOT - Sherman Ave, Chestnut Street and Hazelwood Ave | 2002-20 | 174,016.65 |
| State of NJ DOT - Milling and Overlay | 2039-21 | <u>385,875.00</u> |
| | | \$ <u><u>2,947,534.42</u></u> |

BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

| <u>ORDINANCE</u> | <u>DESCRIPTION</u> | <u>ORIGINAL DATE OF ISSUE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|------------------|--|-------------------------------|----------------------|-------------------------|----------------------|----------------------------------|------------------------|------------------------|----------------------------------|
| 1893-16 | Various Capital Improvements | 06/28/18 | 06/23/21 | 06/23/22 | 1.00% | \$ 989,780.00 | \$ 949,780.00 | \$ 989,780.00 | \$ 949,780.00 |
| 1920-17 | 2017 Capital Improvements | 06/28/18 | 06/23/21 | 06/23/22 | 1.00% | 1,745,625.00 | 1,661,125.00 | 1,745,625.00 | 1,661,125.00 |
| 1922-17 | Warrenville Rd Improvements | 06/28/18 | 06/23/21 | 06/23/22 | 1.00% | 175,725.00 | 166,225.00 | 175,725.00 | 166,225.00 |
| 1924-17 | George Ave Improvements | 06/28/18 | 06/23/21 | 06/23/22 | 1.00% | 488,870.00 | 462,870.00 | 488,870.00 | 462,870.00 |
| 1947-18 | Various Capital Improvements | 06/26/19 | 06/23/21 | 06/23/22 | 1.00% | 1,740,159.00 | 1,740,159.00 | 1,740,159.00 | 1,740,159.00 |
| 1961-19 | Various Capital Improvements | 06/25/20 | 06/23/21 | 06/23/22 | 1.00% | 62,800.00 | 62,800.00 | 62,800.00 | 62,800.00 |
| 1962-19 | Bound Brook | 06/25/20 | 06/23/21 | 06/23/22 | 1.00% | 104,440.00 | 104,440.00 | 104,440.00 | 104,440.00 |
| 1975-19 | Sewer Study and Improvements | 06/25/20 | 06/23/21 | 06/23/22 | 1.00% | 47,500.00 | 47,500.00 | 47,500.00 | 47,500.00 |
| 1979-19 | Tax Maps, Various Capital Improvements | 06/25/20 | 06/23/21 | 06/23/22 | 1.00% | 1,195,625.00 | 1,195,625.00 | 1,195,625.00 | 1,195,625.00 |
| 2002-20 | Various Capital Improvements | 06/23/21 | 06/23/21 | 06/23/22 | 1.00% | 1,442,149.00 | 1,442,149.00 | 1,442,149.00 | 1,442,149.00 |
| | | | | | | <u>\$ 6,550,524.00</u> | <u>\$ 7,832,673.00</u> | <u>\$ 6,550,524.00</u> | <u>\$ 7,832,673.00</u> |

REF. C

C:C5

| | | | |
|----------------------|-----|------------------------|------------------------|
| Renewal | | \$ 6,390,524.00 | \$ 6,390,524.00 |
| Issued for Cash | C-2 | 1,442,149.00 | 1,442,149.00 |
| Bonds paid by Budget | C-2 | | 160,000.00 |
| | | <u>\$ 7,832,673.00</u> | <u>\$ 6,550,524.00</u> |

"C-18"

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR GRANT RECEIVABLE

| | <u>REF.</u> | |
|---|-------------|----------------------|
| Balance, December 31, 2021 and December 31, 2020 | C | \$ <u>559,772.11</u> |

Analysis of Balance

| <u>Description</u> | <u>Ord</u> | |
|--|------------|----------------------|
| Middlesex County - Cedar Avenue | 1643-05 | \$ 56.00 |
| State of NJ OEM | 1808-12 | 98,598.63 |
| Federal Emergency Management Agency (FEMA) | 1808-12 | 67,948.92 |
| State of NJ DOT - South Avenue | 1909-17 | 100,000.00 |
| Township of Piscataway - South Avenue | 1909-17 | 25,199.16 |
| State of NJ DOT - Runyon Avenue | 1947-18 | 138,053.24 |
| 2014 Loan Reimbursement | | <u>129,916.16</u> |
| | | \$ <u>559,772.11</u> |

"C-19"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

| | <u>REF.</u> | |
|-----------------------------------|-------------|---------------------|
| Increased by: Premium on BAN's | C-2 | \$ 56,943.53 |
| Balance, December 31, 2021 | C | \$ <u>56,943.53</u> |

BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | |
|---------------------------------------|-------------|--------------------|
| Balance, December 31, 2020 (Due From) | C | \$ 7,164.08 |
| Balance, December 31, 2021 (Due From) | C | \$ <u>7,164.08</u> |

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS PAYABLE

| | <u>REF.</u> | <u>DUE TO CURRENT FUND</u> | <u>DUE TO GRANT FUND</u> | <u>DUE TO TRUST OTHER FUND</u> |
|---|-------------|------------------------------------|----------------------------------|--|
| Balance, December 31, 2021 and December 31, 2020 | C | <u>\$ 98,634.92</u> | <u>\$ 23,775.00</u> | <u>\$ 522,787.01</u> |

BOROUGH OF MIDDLESEX

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|-----------------------------|--|--|
| 1808-12 | Acquisition and Demolition of Certain Flood Prone Properties | \$ 166,547.55 |
| 1857-14 | Improvements to Marlborough Ave | 30,400.00 |
| 1907-17/2040-21 | Sanitary Sewer Improvements | 1,928,609.00 |
| 1909-17 | South Ave Improvements | 100,000.00 |
| 1922-17 | Warrenville Road Improvements | 204,275.00 |
| 1947-18 | Various Capital Improvements | 0.24 |
| 2039-21 | Various Capital Improvements | <u>1,567,700.00</u> |
| | | <u>\$ 3,997,531.79</u> |

BOROUGH OF MIDDLESEX

SCHEDULE OF SWIMMING POOL UTILITY CASH AND INVESTMENTS - TREASURER

| | <u>REF.</u> | <u>OPERATING FUND</u> | <u>SNACK BAR ACCOUNT</u> |
|-------------------------------|-------------|-----------------------|--------------------------|
| Balance - December 31, 2020 | D | \$ 161,999.92 | \$ 3,008.51 |
| Increased by Receipts: | | | |
| Miscellaneous Revenue | D-3 | \$ 113,886.78 | |
| Fees - Memberships | D-3 | 302,246.88 | |
| American Rescue Plan | D-3 | 121,170.19 | |
| Snack Bar | D-5 | | \$ 26,378.00 |
| Interfunds Receivable/Payable | D-10 | | <u>45.56</u> |
| | | <u>537,303.85</u> | <u>26,423.56</u> |
| Decreased by Disbursements: | | | |
| 2021 Budget Appropriations | D-4 | 392,550.43 | |
| 2020 Appropriation Reserves | D-9 | 608.32 | |
| Snack Bar | D-5 | | 26,378.00 |
| Interfunds Receivable/Payable | D-10 | | <u>53.07</u> |
| | | <u>699,303.77</u> | <u>29,432.07</u> |
| Balance - December 31, 2021 | D | <u>393,158.75</u> | <u>26,431.07</u> |
| | | <u>\$ 306,145.02</u> | <u>\$ 3,001.00</u> |

BOROUGH OF MIDDLESEX

ANALYSIS OF SWIMMING POOL UTILITY CAPITAL CASH AND INVESTMENTS

| | BALANCE DECEMBER 31, <u>2021</u> |
|--|--|
| Capital Improvement Fund | \$ 7,730.10 |
| Due to Swimming Pool Operating Fund | 94,320.11 |
| Fund Balance | 2,619.00 |
| <u>Improvement Authorizations</u> | |
| Ordinance 1771-10 Swimming Pool Improvements | (156,330.00) |
| Ordinance 1852-14 Swimming Pool Improvements | <u>51,660.79</u> |
| | <u>\$</u> |
| <u>REF.</u> | D |

() Denotes Deficit or Deduction

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

| Account | BALANCE DECEMBER <u>31, 2020</u> | BALANCE DECEMBER <u>31, 2021</u> |
|---------------------------|--|--|
| Swimming Pool and Grounds | \$ 234,000.00 | \$ 234,000.00 |
| Improvements - 1987 | 217,721.56 | 217,721.56 |
| Improvements - 1991 | 65,300.00 | 65,300.00 |
| Improvements - 1997 | <u>149,270.00</u> | <u>149,270.00</u> |
| | <u>\$ 666,291.56</u> | <u>\$ 666,291.56</u> |
| <u>REF.</u> | D | D |

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>ORD. NO.</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ORDINANCE</u> | | <u>BALANCE</u> | <u>BALANCE</u> |
|-----------------|--------------------------------|------------------|---------------|------------------------|------------------------|
| | | <u>DATE</u> | <u>AMOUNT</u> | <u>DEC. 31, 2020</u> | <u>DEC. 31, 2021</u> |
| | <u>General Improvements:</u> | | | | |
| 1771-10 | Swimming Pool Improvements | 07/27/10 | \$ 350,000.00 | \$ 350,000.00 | \$ 350,000.00 |
| 1852-14 | Swimming Pool Improvements | 06/24/14 | 1,300,000.00 | 1,300,000.00 | 1,300,000.00 |
| | | | | <u>\$ 1,650,000.00</u> | <u>\$ 1,650,000.00</u> |

Ref.

D

D

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

| | <u>BALANCE</u> <u>DEC. 31, 2020</u> | <u>RESERVE FOR</u> <u>ENCUMBRANCES</u> <u>DEC. 31, 2020</u> | <u>BALANCE</u> <u>AFTER</u> <u>MODIFICATION</u> | <u>PAID OR</u> <u>CHARGED</u> | <u>BALANCE</u> <u>LAPSED</u> |
|-----------------------------------|--|---|---|----------------------------------|---------------------------------|
| Operating: | | | | | |
| Salaries and Wages | \$ 29,635.53 | \$ | \$ 29,635.53 | \$ | \$ 29,635.53 |
| Other Expenses | 83,949.19 | 1,100.44 | 85,049.63 | 608.32 | 84,441.31 |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Social Security System (O.A.S.I.) | <u>1,139.13</u> | | <u>1,139.13</u> | | <u>1,139.13</u> |
| | \$ <u>114,723.85</u> | <u>1,100.44</u> | \$ <u>115,824.29</u> | \$ <u>608.32</u> | \$ <u>115,215.97</u> |

Ref.

D

D

D-5

D-1

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE

| | <u>Ref.</u> | <u>TOTAL</u> | <u>SWIMMING POOL POOL UTILITY CAPITAL FUND</u> | <u>CURRENT FUND</u> |
|----------------------------|-------------|-------------------|--|-------------------------|
| Balance, December 31, 2020 | | | | |
| Due From | D | \$ 94,320.11 | \$ 94,320.11 | \$ |
| Due to | D | 114,526.13 | | 114,526.13 |
| Cash Receipts | D-5 | 45.56 | | 45.56 |
| Cash Disbursements | D-5 | 53.07 | | 53.07 |
| Balance, December 31, 2021 | | | | |
| Due From | D | \$ 94,320.11 | \$ 94,320.11 | \$ |
| Due to | D | <u>114,518.62</u> | <u></u> | <u>114,518.62</u> |

"D-11"

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

| | | | |
|--|-------------|------------------|------------------------|
| Balance - December 31, 2020 | <u>REF.</u> | D | \$ 1,237,791.56 |
| Increased by: | | | |
| Bonds Paid by Current Budget Appropriation | D-17 | \$ 78,528.00 | |
| Bonds Paid by Swimming Pool Budget Appropriation | D-17 | <u>45,972.00</u> | |
| | | | <u>124,500.00</u> |
| Balance - December 31, 2021 | D | | <u>\$ 1,362,291.56</u> |

"D-12"

SCHEDULE OF CAPITAL IMPROVEMENT

| | | | |
|-----------------------------|-------------|---|--------------------|
| Balance - December 31, 2020 | <u>REF.</u> | D | \$ 7,730.10 |
| Balance - December 31, 2021 | D | | <u>\$ 7,730.10</u> |

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| ORD. NO. | IMPROVEMENT DESCRIPTION | ORDINANCE | | BALANCE | BALANCE |
|------------------------------|-----------------------------|-----------|---------------|----------------------|----------------------|
| | | DATE | AMOUNT | DEC. 31, 2020 | DEC. 31, 2021 |
| <u>General Improvements:</u> | | | | | |
| 1771-10 | Swimming Pool Improvemments | 07/27/10 | \$ 350,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| 1852-14 | Swimming Pool Improvemments | 06/24/14 | 1,300,000.00 | 65,000.00 | 65,000.00 |
| | | | | <u>\$ 165,000.00</u> | <u>\$ 165,000.00</u> |
| | | | <u>Ref.</u> | D | D |

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE

| | <u>TOTAL</u> | <u>SWIMMING POOL UTILITY OPERATING FUND</u> |
|----------------------------|---------------------|---|
| Balance, December 31, 2020 | | |
| Due to | \$ 94,320.11 | \$ 94,320.11 |
| | | |
| Balance, December 31, 2021 | | |
| Due to | \$ <u>94,320.11</u> | \$ <u>94,320.11</u> |
| | | |
| <u>Ref.</u> | D | D |

BOROUGH OF MIDDLESEX

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

SWIMMING POOL UTILITY CAPITAL FUND

| <u>ORD. NO.</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE</u> | <u>ORDINANCE</u> | <u>AMOUNT</u> | <u>BALANCE</u> | |
|-----------------|--------------------------------|-------------|------------------|------------------|----------------|----------------------|
| | | | | | <u>FUNDED</u> | <u>UNFUNDED</u> |
| | | | | | <u>FUNDED</u> | <u>UNFUNDED</u> |
| | | | | | <u>BALANCE</u> | <u>DEC. 31, 2021</u> |
| | | | | | | |
| 1771-10 | Swim Pool Improvements | 07/27/10 | \$ | 350,000.00 | \$ | 93,670.00 |
| 1852-14 | Swim Pool Improvements | 06/24/14 | | 1,300,000.00 | 51,660.79 | 51,660.79 |
| | | | \$ | <u>51,660.79</u> | \$ | <u>93,670.00</u> |
| | | | \$ | <u>51,660.79</u> | \$ | <u>93,670.00</u> |

General Improvements:

Ref. D D D D

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

| | <u>REF.</u> | |
|-----------------------------|-------------|---------------------------|
| Balance - December 31, 2020 | D | \$ 6,706.56 |
| Decreased by: | | |
| Accrued Interest Canceled | D-1 | <u>1,128.64</u> |
| Balance - December 31, 2021 | D | <u><u>\$ 5,577.92</u></u> |

Analysis of Balance - December 31, 2021:

| <u>Principal</u> <u>Outstanding</u> <u>12/31/21</u> | <u>Interest</u> <u>Rate</u> | <u>From</u> | <u>To</u> | <u>Period</u> | <u>Amount</u> |
|---|--------------------------------|-------------|-----------|---------------|--------------------|
| Bonds | | | | | |
| \$ <u>539,000.00</u> | 2.000% | 07/15/21 | 12/31/21 | 5 1/2 months | \$ <u>5,577.92</u> |

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

| <u>DESCRIPTION</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ISSUE</u> | <u>INTEREST RATE</u> | <u>MATURITIES OF BONDS DATE</u> | <u>AMOUNT</u> | <u>BALANCE DEC. 31, 2020</u> | <u>DECREASED</u> | <u>BALANCE DEC. 31, 2021</u> |
|-----------------------------------|----------------------|------------------------|----------------------|---------------------------------|---------------|------------------------------|----------------------|------------------------------|
| General Improvement Bonds of 2015 | 07/16/15 | \$ 1,235,000.00 | 2.000% | 07/15/22 | \$ 129,000.00 | \$ | \$ | \$ |
| | | | 2.000% | 07/15/23 | 132,000.00 | | | |
| | | | 2.500% | 07/15/24 | 136,500.00 | | | |
| | | | 2.500% | 07/15/25 | 141,500.00 | 663,500.00 | 124,500.00 | 539,000.00 |
| | | | | | | <u>\$ 663,500.00</u> | <u>\$ 124,500.00</u> | <u>\$ 539,000.00</u> |

Ref. D D-11 D

Bonds Paid by Swim Pool Budget Appropriations

Bonds Paid by Current Budget Appropriations

\$ 78,528.00
45,972.00
\$ 124,500.00

BOROUGH OF MIDDLESEX

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

| <u>ORD.</u> <u>NO.</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE</u> <u>DEC. 31, 2020</u> | <u>BALANCE</u> <u>DEC. 31, 2021</u> |
|---------------------------|--------------------------------|--|--|
| 2360 | Swim Pool Improvements | <u>\$ 250,000.00</u> | <u>\$ 250,000.00</u> |
| | | <u>\$ 250,000.00</u> | <u>\$ 250,000.00</u> |

PART II
BOROUGH OF MIDDLESEX
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2021

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT 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 | \$ 1,400,000.00 | 2.51% | \$ 1,100,000.00 | 2.02% |
| Miscellaneous - From Other Than | | | | |
| Local Property Tax Levies | 6,955,026.28 | 12.47% | 7,010,046.76 | 12.86% |
| Collection of Delinquent Taxes | | | | |
| and Tax Title Liens | 547,348.94 | 0.98% | 600,695.74 | 1.10% |
| Collection of Current Tax Levy | <u>46,885,651.87</u> | <u>84.04%</u> | <u>45,808,928.24</u> | <u>84.02%</u> |
| <u>Total Revenue</u> | <u>\$ 55,788,027.09</u> | <u>100.00%</u> | <u>\$ 54,519,670.74</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget and Emergency Authorizations: | | | | |
| Municipal Purposes | \$ 20,251,084.23 | 37.68% | \$ 19,888,540.88 | 37.82% |
| County Taxes | 6,795,477.67 | 12.64% | 6,026,740.39 | 11.46% |
| Local District School Tax | 26,684,052.00 | 49.65% | 26,438,319.00 | 50.27% |
| Other Expenditures | <u>12,508.82</u> | <u>0.02%</u> | <u>235,149.38</u> | <u>0.45%</u> |
| <u>Total Expenditures</u> | <u>\$ 53,743,122.72</u> | <u>100.00%</u> | <u>\$ 52,588,749.65</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 2,044,904.37 | | \$ 1,930,921.09 | |
| Fund Balance, January 1 | <u>2,328,836.56</u> | | <u>1,497,915.47</u> | |
| | \$ 4,373,740.93 | | \$ 3,428,836.56 | |
| Decreased by: | | | | |
| Utilized as Anticipated Revenue | <u>1,400,000.00</u> | | <u>1,100,000.00</u> | |
| Fund Balance, December 31 | <u>\$ 2,973,740.93</u> | | <u>\$ 2,328,836.56</u> | |

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

| | <u>YEAR 2021</u> | | <u>YEAR 2020</u> | |
|---|----------------------|----------------|----------------------|----------------|
| | <u>AMOUNT</u> | <u>%</u> | <u>AMOUNT</u> | <u>%</u> |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance | \$ 21,157.81 | 3.14% | \$ 75,028.00 | 21.40% |
| Fees - Membership | 302,246.88 | 44.79% | 144,264.25 | 41.14% |
| Miscellaneous | <u>351,401.58</u> | <u>52.07%</u> | <u>131,342.13</u> | <u>37.46%</u> |
| Total Revenues | <u>\$ 674,806.27</u> | <u>100.00%</u> | <u>350,634.38</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Appropriations: | | | | |
| Operating | \$ 369,500.00 | 79.89% | \$ 315,000.00 | 77.77% |
| Debt Service | 78,528.00 | 16.98% | 78,528.00 | 19.39% |
| Statutory Expenditures and Deferred Charges | <u>14,500.00</u> | <u>3.13%</u> | <u>11,500.00</u> | <u>2.84%</u> |
| Total Expenditures | <u>\$ 462,528.00</u> | <u>100.00%</u> | <u>\$ 405,028.00</u> | <u>100.00%</u> |
| Excess/(Deficit) in Revenues | 212,278.27 | | (54,393.62) | |
| <u>FUND BALANCE</u> | | | | |
| Balance - January 1 | \$ <u>22,271.56</u> | | \$ <u>151,693.18</u> | |
| | \$ 234,549.83 | | \$ 97,299.56 | |
| Decreased by: | | | | |
| Utilization as Anticipated Revenue | <u>21,157.81</u> | | <u>75,028.00</u> | |
| Balance - December 31 | <u>\$ 213,392.02</u> | | <u>\$ 22,271.56</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--------------------------|------------------|------------------|------------------|
| Tax Rate | \$9.639 | \$9.422 | \$9.167 |
| Appointment of Tax Rate: | | | |
| Municipal | 2.713 | 2.721 | 2.575 |
| Municipal Library | 0.116 | 0.104 | 0.105 |
| County General | 1.276 | 1.130 | 1.129 |
| County Open Space | 0.105 | 0.095 | 0.095 |
| Local School | 5.429 | 5.372 | 5.263 |
| Year 2021 | \$491,481,557.00 | | |
| Year 2020 | | \$492,104,366.00 | |
| Year 2019 | | | \$493,000,675.00 |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CASH COLLECTIONS</u> | <u>PERCENTAGE OF COLLECTION</u> |
|-------------|-----------------|-----------------------------|---|
| 2021 | \$47,453,509.38 | \$46,885,651.87 | 98.80% |
| 2020 | 46,402,353.48 | 45,808,928.24 | 98.72% |
| 2019 | 45,326,701.46 | 44,609,463.47 | 98.41% |

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>DECEMBER 31, 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 | \$87,720.06 | \$521,991.88 | \$609,711.94 | 1.28% |
| 2020 | 415,884.70 | 553,291.95 | 969,176.65 | 2.09% |
| 2019 | 419,307.69 | 633,345.83 | 1,052,653.52 | 2.32% |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|-----------------|
| 2021 | \$ 1,423,139.00 |
| 2020 | 1,423,139.00 |
| 2019 | 1,423,139.00 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | <u>BALANCE DECEMBER 31</u> | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> |
|--------------------------------------|-------------|----------------------------|--|
| Current Fund | 2021 | \$2,741,284.94 | \$1,600,000.00 |
| | 2020 | 2,328,836.56 | 1,400,000.00 |
| | 2019 | 1,497,915.47 | 1,100,000.00 |
| | 2018 | 2,586,086.89 | 2,200,000.00 |
| | 2017 | 3,190,644.60 | 2,211,000.00 |
| Swimming Pool Utility Operating Fund | 2021 | 213,392.02 | 61,528.00 |
| | 2020 | 22,271.56 | 21,157.81 |
| | 2019 | 151,693.18 | 75,028.00 |
| | 2018 | 186,532.20 | 78,628.00 |
| | 2017 | 250,287.56 | 128,060.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> |
|------------------------------|---|-----------------------|
| John Madden | Mayor | |
| James Eodice | Council President | |
| Jeremiah Carnes | Councilmember | |
| Amy Flood | Councilmember | |
| Jack Mikolajczyk | Councilmember | |
| Martin Quinn | Councilmember | |
| Douglas Rex | Councilmember | |
| Marcia Karrow | Business Administrator | * |
| Caroline Benson | Acting Chief Financial Office/ Treasurer | * |
| Darcy Delvecchio | Tax Collector | * |
| Carmen Modica | Purchasing Agent | * |
| Linda Chismar | Municipal Clerk | * |
| Merari Gaud | Court Administrator | * |
| Spero Kalambakas | Municipal Court Judge | * |
| Christopher M. Corsini, Esq. | Attorney | |
| Robert Klein | Construction Code Official | * |
| | Health Officer | |
| Dawn Guttschall | Tax Assessor | * |
| Carmen Modica | Deputy Borough Clerk | * |

*All officials and employees handling and collecting Borough funds are covered by the Borough's insurance policy and blanket bond through the Municipal Excess Liability Joint Insurance Fund. Public Employees Blanket Bond of \$1,000,000.00.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00. The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

2019 Road Reconstruction & Improvement Project – Fisher Ave and Ashland Road
2020 Road Program (Harris, Sherman, Chestnut and Hazelwood)
Phase II Sewer (Greenbrook Road & Louis Ave Pump Station)

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

| | |
|--------------------|----------------------|
| Municipal Attorney | Municipal Prosecutor |
| Municipal Auditor | Bond Counsel |
| Municipal Engineer | Labor Attorney |

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

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

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 5, 2021 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Mayor and Council of the Borough of Middlesex, as follows:

In the event the quarterly payment of taxes or assessments are not paid on the date on which they become delinquent, but are paid within ten days on the date on which they become delinquent, the Tax Collector be and is hereby authorized to collect interest on all such delinquent payments; and

In the event that quarterly payment of taxes and assessments are not paid within ten days of the date on which they become delinquent, and the total amount of said delinquency is less than \$1,500.00, the Tax Collector be and is hereby authorized to collect 8% interest per annum from the date said payments first become delinquent up to \$1,500.00 of the delinquency and 18% interest on all such delinquent payments over \$1,500.00.

Pursuant to N.J.S.A. 54:4-67, which is the New Jersey statute defining a tax delinquency, the Governing Body of the Borough of Middlesex does hereby fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay the delinquency prior to the end of the calendar year 2021 and the penalty so fixed shall be six (6%) of the amount of the yearly delinquency.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 7, 2021 and was complete.

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

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2021 | 9 |
| 2020 | 10 |
| 2019 | 11 |

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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:

| | |
|---------------------------------------|----|
| Information Tax Positive Confirmation | 50 |
| Delinquent Tax Positive Confirmation | 25 |

PAYROLL

Our audit of the Payroll account disclosed that there was no resolution authorizing the use of ADP as the Borough's third party payroll service provider in accordance with N.J.A.C. 5:30-17.3 and there was no resolution approving an official responsible for the oversight of ADP, there was no signed contract approving ADP as a third party provider and all employees eligible to receive health benefit waiver payments received the full \$5,000.00 allotment. A calculation is not performed to determine if the cost saved is less than 25% of the cost saved which would be the payment if less than the \$5,000.00

MUNICIPAL COURT

During the audit of the court it was noted that disbursements required to be made by the 15th day of the subsequent month were not made for three (3) of the months.

The bank reconciliation page for the General Account is not always fully completed and balanced.

ENCUMBRANCES ACCOUNTING SYSTEM

There were three (3) purchase orders tested that were determined to be confirming orders; that is, purchases were made for goods or services without providing a written purchase order to the Chief Financial Officer to encumber on a timely basis. In effect, the controls that minimize the possibilities of overexpenditures and unauthorized purchases are not in operations.

OTHER COMMENTS

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

RECOMMENDATIONS

That a resolution authorizing the use of the Borough's third party payroll service provider in accordance with N.J.A.C. 5:30-17.3 be adopted.

That there be a signed contract approving a third party provider.

That a calculation be made for all employees receiving health benefit waiver payments to determine the amount of payments to be received

That all disbursements by the Municipal Court be made by the 15th of the subsequent month.

That the bank reconciliation page for the Municipal Court General Account be fully completed and balanced.

That the use of confirming orders be stopped.

That interfunds at a minimum be liquidated by the end of the year when possible.

