

*Report of Audit*

*on the*

*Financial Statements  
and Supplementary Schedules*

*of the*

*Township of Freehold*

*in the*

*County of Monmouth  
New Jersey*

*for the*

*Year Ended  
December 31, 2019*



TOWNSHIP OF FREEHO9LD

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TOWNSHIP OF FREEHOLD

PART I

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
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NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the Township Committee  
Township of Freehold  
County of Monmouth  
Freehold, New Jersey

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Freehold, as of December 31, 2019, the related statement 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, 2019, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with 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 (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Freehold on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Freehold as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2019.

### ***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 balance sheets of the various individual funds and account groups as of December 31, 2019, the regulatory basis statement of operations and changes in fund balance for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Freehold's regulatory financial statements. The information included in the supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information, schedules and data listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed and data listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

### **Prior Period Financial Statements**

The financial statements - regulatory basis of the Township of Freehold as of December 31, 2018, and for the year then ended, were audited by other auditors whose report dated June 25, 2019, expressed an adverse opinion as to conformity with accounting principles generally accepted in the United States of America and an unmodified opinion as to conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2020 on our consideration of the Township of Freehold's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Freehold's internal control over financial reporting and compliance.

  
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CERTIFIED PUBLIC ACCOUNTANTS

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

July 29, 2020



# SUPLEE, CLOONEY & COMPANY

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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 Township Committee  
Township of Freehold  
County of Monmouth  
Freehold, New Jersey 07728

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statutory financial statements of the various individual funds and the account group of the Township of Freehold, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's statutory financial statements, and have issued our report thereon dated July 29, 2020. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Freehold prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

# SUPLEE, CLOONEY & COMPANY

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

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

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

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

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

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

  
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CERTIFIED PUBLIC ACCOUNTANTS

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

July 29, 2020

CURRENT FUND

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A

**STATEMENTS OF ASSETS, LIABILITIES,**

Sheet 1 of 2

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b><u>Assets</u></b>			
<b><u>Regular Funds</u></b>			
Cash and Cash Equivalents - Treasurer	A-4	\$ 24,706,601.17	\$ 23,158,415.64
Investments	A-4	16,602,747.27	16,337,939.66
Change Funds		1,325.00	1,325.00
Due from State of New Jersey: (Chapter 20, P.L. 1971)		1,306.17	
		<u>41,311,979.61</u>	<u>39,497,680.30</u>
Receivables with Full Reserves:			
Police Special Duty Receivable		87,247.54	111,397.91
Delinquent Property Taxes Receivable	A-5	1,358,493.44	1,193,702.91
Tax Title Liens Receivable	A-6	392,940.81	373,555.47
Property Acquired for Taxes at Assessed Value		584,150.00	584,150.00
Miscellaneous Receivables		61,912.79	33,973.30
Revenue Accounts Receivable	A-7	90,235.71	80,826.71
Interfunds:			
Animal Control Trust Fund	A-12	7,432.73	14,133.03
Other Trust Fund	A-12	349,412.81	461,687.39
		<u>2,931,825.83</u>	<u>2,853,426.72</u>
		<u>44,243,805.44</u>	<u>42,351,107.02</u>
<b><u>Grant Fund</u></b>			
Interfund - Current Fund	A-13	526,186.46	400,253.15
Grants Receivable	A-14	59,719.25	69,168.59
		<u>585,905.71</u>	<u>469,421.74</u>
		<u>\$ 44,829,711.15</u>	<u>\$ 42,820,528.76</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Regular Funds</u></b>			
Liabilities:			
Appropriation Reserves	A-3,8	\$ 2,569,827.78	\$ 2,359,180.98
Reserve for Encumbrances	A-3,8	1,352,478.03	1,224,756.10
Due to State of New Jersey for Fees Collected		14,792.00	27,025.00

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A**

**STATEMENTS OF ASSETS, LIABILITIES,**

**Sheet 2 of 2**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b><u>Liabilities, Reserves and Fund Balance (Continued)</u></b>			
<b><u>Regular Funds (Continued)</u></b>			
Liabilities (Continued):			
Tax Overpayments		\$ 208,470.54	\$ 207,182.63
Accounts Payable		425,000.00	752,323.71
Prepaid Health Benefits	A-3,4	14,072.09	10,918.23
Prepaid Fees and Permits	A-4,7	24,365.00	15,646.00
Prepaid Taxes		963,239.03	871,859.21
Due from State of New Jersey (Chapter 20, P.L. 1971)			17,225.17
Due County for Added and Omitted Taxes	A-9	89,986.07	76,846.47
Local District School Tax Payable	A-10	10,045,869.54	9,329,787.54
Regional High School Tax Payable	A-11	13,329,619.40	13,537,589.40
Reserve for:			
Taxes Collected on Appeal		6,303.54	6,303.54
Historical Preservation		779.94	779.94
Interfunds:			
General Capital Fund	A-12	1,490.14	23,086.22
Grant Fund	A-13	526,186.46	400,253.15
		<u>29,572,479.56</u>	<u>28,860,763.29</u>
Reserve for Receivables and Other Assets		2,931,825.83	2,853,426.72
Fund Balance	A-1	<u>11,739,500.05</u>	<u>10,636,917.01</u>
		<u>44,243,805.44</u>	<u>42,351,107.02</u>
<b><u>Grant Fund</u></b>			
Reserve for Encumbrances	A-15	53,809.66	22,127.37
Appropriated Reserves	A-15	439,854.22	440,253.70
Unappropriated Reserves	A-16	92,241.83	7,040.67
		<u>585,905.71</u>	<u>469,421.74</u>
		<u>\$ 44,829,711.15</u>	<u>\$ 42,820,528.76</u>

There were deferred school taxes on December 31, 2019 and 2018 of \$25,566,589 (Schedule A-10).

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-1**

**STATEMENTS OF OPERATIONS AND**

**Sheet 1 of 2**

**CHANGE IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31 2019 AND 2018**

	<u>Ref.</u>	<u>Year 2019</u>	<u>Year 2018</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 6,928,357.00	\$ 6,455,872.00
Miscellaneous Revenue Anticipated	A-2	13,805,820.16	13,591,482.42
Receipts from Delinquent Taxes	A-2	1,112,816.96	1,031,457.76
Receipts from Current Taxes	A-2	142,874,987.01	141,133,020.34
Non-Budget Revenues	A-2	1,558,312.72	1,238,254.79
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	2,062,170.26	2,331,606.37
Statutory Excess in Animal Control Trust	A-12	7,432.73	14,133.03
Interfunds Liquidated		118,974.88	
Cancel Appropriated Grant Reserve	A-13	10,473.81	1,022.78
Cancel Due to State		20,555.30	
Reserve for Sale of Municipal Assets			611,111.00
Reserve for Receivables:			
Police Special Duty Receivable		24,150.37	66,146.72
Accounts Payable Cancelled		350,905.34	24,181.00
Total Income		<u>168,874,956.54</u>	<u>166,498,288.21</u>
<b><u>Expenditures</u></b>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		16,268,321.00	15,540,575.00
Other Expenses		13,555,662.72	13,131,447.93
Capital Improvements		400,000.00	400,000.00
Deferred Charges and Statutory Expenditures		3,937,405.16	3,927,571.00
Municipal Debt Service		3,963,466.61	4,729,389.66
Transferred to Board of Education		950,975.00	951,456.00
Budget Totals	A-3	<u>39,075,830.49</u>	<u>38,680,439.59</u>
Refund of Prior Year Revenue	A-4	500.00	63.93
Municipal Open Space Tax	A-4,5	1,977,735.27	1,897,910.10
Special District Taxes - Fire	A-4,5	2,530,322.00	1,960,868.00
County Taxes	A-9	18,825,330.67	19,138,348.97
Due County for Added and Omitted Taxes	A-9	89,986.07	76,846.47
Local District School Taxes	A-10	70,760,205.00	69,370,444.00
Regional School District Taxes	A-11	27,497,087.00	27,926,432.00
Cancel Grant Receivable	A-13	8,637.10	1,022.78
Interfund Advances			223,781.31
Tax Appeals Granted		74,382.90	4,415.38
Prior Year Deductions Disallowed		4,000.00	3,750.00
Total Expenditures		<u>160,844,016.50</u>	<u>159,284,322.53</u>

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



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-1

**STATEMENTS OF OPERATIONS AND**

Sheet 2 of 2

**CHANGE IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31 2019 AND 2018**

	<u>Ref.</u>	<u>Year 2019</u>	<u>Year 2018</u>
Excess in Revenue		\$ 8,030,940.04	\$ 7,213,965.68
Fund Balance January 1	A	10,636,917.01	9,878,823.33
		<u>18,667,857.05</u>	<u>17,092,789.01</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>6,928,357.00</u>	<u>6,455,872.00</u>
Fund Balance December 31	A	<u>\$ 11,739,500.05</u>	<u>\$ 10,636,917.01</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 4

**FOR THE YEAR ENDED DECEMBER 31, 2019**

		<u>Anticipated</u>		
	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>
	<u>A-1</u>	<u>\$ 6,928,357.00</u>	<u>\$</u>	<u>\$ 6,928,357.00</u>
Fund Balance Anticipated				
<b><u>Miscellaneous Revenues</u></b>				
Licenses:				
Alcoholic Beverages	A-7	40,000.00		45,188.00
Other	A-7	20,000.00		53,305.00
Fees and Permits:				
Construction Code Official	A-7	900,000.00		1,360,664.90
Other	A-7	210,000.00		333,058.67
Fines and Costs:				
Municipal Court	A-7	550,000.00		961,706.45
Interest and Costs on Taxes	A-4	130,000.00		275,614.45
Interest on Investments and Deposits	A-7	200,000.00		639,604.93
Cable Television Franchise Fees	A-7	332,755.00		332,755.00
Verizon Franchise Fees	A-7	221,671.03		221,671.03
State Aid:				
Energy Receipts Tax	A-7	7,418,109.00		7,418,109.00
Garden State Trust Pilot	A-7	18,206.00		18,206.00
Special Items:				
State Grants:				
Alliance to Prevent Alcoholism and Drug Abuse	A-13	41,010.00		41,010.00
Body Armor Fund	A-13	6,596.91		6,596.91
Clean Communities Program	A-13		83,927.46	83,927.46
Drunk Driving Enforcement Fund	A-13	7,040.67		7,040.67
Family Health Initiatives	A-13	10,000.00		10,000.00
Radon Awareness	A-13		2,000.00	2,000.00
Recycling Tonnage Grant	A-13	91,879.35		91,879.35
Safe and Secure Communities Program	A-13	60,000.00		60,000.00

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 2 of 4

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Ref.	Anticipated		Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
		Budget				
Special Items (Continued):						
Federal Grants:						
Bulletproof Vests	A-13	\$ 4,250.00	\$	25,704.00	4,250.00	\$
Childhood Lead Exposure	A-13				25,704.00	
Click It or Ticket	A-13	5,500.00			5,500.00	
Distracted Driving	A-13	5,500.00			5,500.00	
Uniform Fire Safety Act	A-7	117,665.79			113,668.80	(3,996.99)
Other Special Items:						
Shared Services Agreements:						
Automotive Services	A-7	35,000.00		24,500.00	59,599.67	99.67
Board of Health	A-7	263,060.00			312,344.00	49,284.00
Board of Health - VNA Health Group	A-7	28,750.00			22,873.60	(5,876.40)
Board of Health - Lead Inspector	A-7			22,000.00	3,958.77	(18,041.23)
Diesel Fuel	A-7	200,000.00			212,259.63	12,259.63
Information Technology	A-7	160,000.00			187,996.80	27,996.80
Monmouth Regional HICMC	A-7	10,926.00			4,576.00	(6,350.00)
Municipal Court	A-7	22,000.00			36,178.10	14,178.10
Licensed Operational Services	A-7	83,000.00		10,000.00	151,405.62	58,405.62
Police - School Resource Officer	A-7	18,000.00			17,816.73	(183.27)
Police - School Security Detail	A-7	105,000.00			109,441.16	4,441.16
Western Monmouth Active Shooter	A-7	11,110.00			11,138.00	28.00
Other Special Items (Continued):						
Fund Balance - General Capital Fund	A-7	195,234.00			195,234.00	
Hotel/Motel Tax	A-7	50,000.00			149,909.78	99,909.78
Payments in Lieu of Taxes	A-7	75,000.00			103,875.18	28,875.18
Reserve for Detention Basin	A-7	100,000.00			100,000.00	
Reserve for Municipal Alliance	A-7	10,252.50			10,252.50	
Total Miscellaneous Revenues	A-1	<u>11,757,516.25</u>		<u>168,131.46</u>	<u>13,805,820.16</u>	<u>1,880,172.45</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 3 of 4

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Anticipated</u>		
<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>
	\$	\$	\$
Receipts from Delinquent Taxes	1,017,500.00		1,112,816.96
Amount to be Raised by Taxes for Support of Municipal			
Budget - Local Tax for Municipal Purposes	21,900,600.67		23,132,933.50
Budget Totals	41,603,973.92	168,131.46	44,979,927.62
Non-Budget Revenues	41,603,973.92	168,131.46	1,558,312.72
	\$	\$	\$
	41,603,973.92	168,131.46	46,538,240.34
	A-3	A-3	A-3
	A-2		4,766,134.96

**Analysis of Realized Revenues**

**Allocation of Current Tax Collection**

Revenue from Collections	\$ 142,874,987.01
Allocated to School, County and Special District Taxes	121,680,666.01
Balance for Support of Municipal Budget Appropriations	21,194,321.00
Add: Appropriation "Reserve for Uncollected Taxes"	1,938,612.50
Amount for Support of Municipal Appropriations	\$ 23,132,933.50

**Delinquent Taxes**

Taxes Receivable	\$ 1,108,931.93
Tax Title Liens	3,885.03
	\$ 1,112,816.96

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-2**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Sheet 4 of 4**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Ref.</u>	
<b><u>Analysis of Non-Budget Revenue</u></b>		
Administrative Fees Senior Citizens and Veterans		\$ 3,906.60
Cellphone Tower Lease		48,419.94
Division of Motor Vehicles Inspection Fees		7,500.00
FEMA Reimbursements		452,972.25
Finance Department		2,877.30
Fire Bureau Fees		134,676.00
Housing Fees		302,545.60
Impound Yard Fees		13,373.00
Landlord Tenant Fees		165,105.00
Millstone Township UCC Fees		22,876.75
Planning Board Fees		78,471.00
Police Department Fees		25,740.38
Police Special Duty		144,702.45
Recycling Fees		57,748.03
Retirees Drug Subsidy Reimbursement		88,480.31
Sale of Municipal Assets		5,000.00
Sign Making/Repair Services		1,508.55
Tax Collector Fees		1,875.46
Vending Machines Fees		184.10
		<hr/>
	A-2,4	\$ <u>1,558,312.72</u>
<b><u>Source of Miscellaneous Revenue not Anticipated</u></b>		
Receipts	A-4	\$ 1,411,970.27
Prepaid Revenue	A	1,640.00
Police Special Duty Township Share		144,702.45
		<hr/>
	A-2	\$ <u>1,558,312.72</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
<b><u>OPERATIONS WITHIN CAPS</u></b>						
<b><u>General Government</u></b>						
Administrative and Executive						
Salaries and Wages	\$ 243,000.00	\$	243,900.00	\$ 243,459.57	\$ 440.43	\$
Other Expenses	12,000.00		11,100.00	2,370.00	8,730.00	
Public Information Office						
Salaries and Wages	34,000.00		34,000.00	15,319.77	18,680.23	
Other Expenses	7,000.00		7,000.00	703.85	6,296.15	
Purchasing Department						
Salaries and Wages	66,000.00		66,000.00	54,425.40	11,574.60	
Other Expenses	39,300.00		39,300.00	33,581.76	5,718.24	
Human Resources						
Salaries and Wages	75,000.00		70,000.00	54,231.17	15,768.83	
Other Expenses	14,800.00		19,800.00	15,551.82	4,248.18	
Mayor and Township Committee						
Salaries and Wages	53,000.00		53,150.00	53,142.67	7.33	
Other Expenses	30,000.00		29,850.00	11,032.82	18,817.18	
Municipal Clerk						
Salaries and Wages	199,000.00		199,000.00	187,420.13	11,579.87	
Other Expenses	96,000.00		96,000.00	81,656.92	14,343.08	
Elections						
Salaries and Wages	1,000.00		1,000.00		1,000.00	
Other Expenses	15,200.00		15,200.00	12,937.29	2,262.71	
Financial Administration						
Salaries and Wages	155,000.00		155,000.00	154,841.43	158.57	
Other Expenses	38,200.00		38,200.00	29,713.93	8,486.07	
Audit	35,000.00		35,000.00	33,900.40	1,099.60	
Information Technology						
Salaries and Wages	122,000.00		122,000.00	121,047.28	952.72	
Other Expenses	183,000.00		183,000.00	99,799.88	83,200.12	

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Exhibit A-3

Sheet 2 of 9

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Paid or Charged	Reserved	
Revenue Administration (Collection of Taxes)						
Salaries and Wages	\$ 89,000.00	\$ 89,000.00	\$ 86,419.89	\$ 2,580.11	\$	
Other Expenses	25,000.00	25,000.00	16,883.82	8,116.18		
Assessment of Taxes						
Salaries and Wages	173,000.00	173,000.00	158,113.49	14,886.51		
Other Expenses	231,250.00	231,250.00	201,168.64	30,081.36		
Cost of Tax Appeals	100,000.00	100,000.00				100,000.00
Legal Services and Costs						
Other Expenses	400,000.00	342,800.00	212,376.44	130,423.56		
Affordable Housing Services and Costs						
Other Expenses	100,000.00	155,000.00	126,445.01	28,554.99		
Engineering Services and Costs						
Salaries and Wages	385,000.00	371,500.00	305,234.31	66,265.69		
Other Expenses	28,700.00	28,700.00	11,527.28	17,172.72		
Historical Preservation						
Other Expenses	6,200.00	6,200.00	688.23	1,911.77		3,600.00
Municipal Land Use Law Planning Board						
Salaries and Wages	89,000.00	102,500.00	102,039.94	460.06		
Other Expenses	67,600.00	67,600.00	57,403.76	10,196.24		
Insurance						
Group Insurance	298,949.50	298,949.50	298,670.64	278.86		
Other Insurance	352,667.70	352,667.70	352,667.70			
Workmen's Compensation	6,480,021.42	6,480,021.42	5,947,963.51	532,057.91		
Health Benefit Waiver	180,000.00	180,000.00	166,350.00	13,650.00		
Code Enforcement - Other						
Salaries and Wages	191,000.00	191,000.00	182,109.80	8,890.20		
Other Expenses	14,550.00	14,550.00	10,328.35	4,221.65		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 3 of 9

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriated		Paid or Charged	Expended	Unexpended Balance Cancelled
	Budget	Budget After Modification			
<b><u>Public Safety</u></b>					
Police					
Salaries and Wages	\$ 9,145,000.00	\$ 9,141,000.00	\$ 8,477,747.69	\$ 513,252.31	\$ 150,000.00
Salaries and Wages - School Security Detail	69,000.00	73,000.00	73,000.00		
Other Expenses	577,000.00	577,000.00	491,141.36	63,858.64	22,000.00
Office of Emergency Management					
Salaries and Wages	11,000.00	11,000.00	9,919.39	1,080.61	
Other Expenses	500.00	500.00		500.00	
First Aid Organization - Contribution	35,000.00	35,000.00		35,000.00	
Bureau of Fire Protection					
Salaries and Wages	34,000.00	36,500.00	34,462.55	2,037.45	
Other Expenses	5,700.00	3,200.00	689.00	2,511.00	
Uniform Fire Safety Act					
Salaries and Wages	108,000.00	108,000.00	105,345.66	2,654.34	
Other Expenses	9,000.00	9,000.00	7,500.00	1,500.00	
Municipal Prosecutor					
Other Expenses	72,400.00	72,400.00	70,752.00	1,648.00	
<b><u>Public Works</u></b>					
Road Repairs and Maintenance					
Salaries and Wages	1,072,000.00	1,069,000.00	981,784.51	87,215.49	
Other Expenses	253,600.00	253,600.00	202,099.04	51,500.96	
Snow Removal					
Salaries and Wages	221,000.00	221,000.00	141,536.98	79,463.02	
Other Expenses	225,000.00	225,000.00	212,013.21	12,986.79	
Shade Tree Commission					
Salaries and Wages	83,000.00	83,000.00	81,509.67	1,490.33	
Other Expenses	18,000.00	18,000.00	7,092.61	10,907.39	
Recycling					
Salaries and Wages	159,000.00	159,000.00	104,990.53	54,009.47	
Other Expenses	625,000.00	625,000.00	593,153.56	31,846.44	

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



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Exhibit A-3

Sheet 4 of 9

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Public Buildings and Grounds	\$	393,000.00	\$	393,789.97	\$	710.03
Salaries and Wages		152,000.00		122,429.73		28,070.27
Other Expenses						
Equipment Maintenance and Repair		397,000.00		392,184.72		7,815.28
Salaries and Wages		385,650.00		361,839.86		23,810.14
Other Expenses						
Condominium Services Act		120,000.00		108,736.20		11,263.80
Other Expenses						
<b><u>Health and Welfare</u></b>						
Board of Health		312,000.00		303,129.45		8,870.55
Salaries and Wages		92,560.00		74,203.69		18,356.31
Other Expenses						
Animal Control		80,190.00		80,190.00		
Other Expenses						
Environmental Commission		400.00				400.00
Other Expenses						
<b><u>Recreation and Education</u></b>						
Board of Recreation Commissioners		480,000.00		471,200.22		8,799.78
Salaries and Wages		128,200.00		127,755.33		444.67
Other Expenses						
Senior Center		152,000.00		150,525.96		1,474.04
Salaries and Wages		20,000.00		19,766.03		233.97
Other Expenses						
<b><u>Municipal Court</u></b>						
Municipal Court		375,000.00		374,266.85		733.15
Salaries and Wages		25,000.00		20,913.94		3,186.06
Other Expenses						
Public Defender		20,000.00		7,500.00		12,500.00
Other Expenses						

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 5 of 9

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b><u>Uniform Construction Code</u></b>					
State Uniform Construction Code Official					
Salaries and Wages	\$ 584,000.00	\$ 584,000.00	\$ 570,743.75	\$ 13,256.25	\$
Other Expenses	27,600.00	27,600.00	21,928.65	5,671.35	
<b><u>Unclassified</u></b>					
<b><u>Utilities:</u></b>					
Electricity	264,000.00	264,000.00	196,885.77	67,114.23	
Street Lighting	297,000.00	297,000.00	242,394.85	54,605.15	
Telephone	100,000.00	100,000.00	95,821.45	4,178.55	
Natural Gas	105,000.00	105,000.00	70,915.83	34,084.17	
Water and Sewer	77,000.00	77,000.00	48,105.00	28,895.00	
Fuel Oil and Gasoline	310,000.00	310,000.00	254,262.53	55,737.47	
Total Operations within Caps	<u>28,251,238.62</u>	<u>28,248,138.62</u>	<u>25,545,754.44</u>	<u>2,426,784.18</u>	<u>275,600.00</u>
Contingent	1.00	1.00		1.00	
Total Operations (Including Contingent) within Caps	<u>28,251,239.62</u>	<u>28,248,139.62</u>	<u>25,545,754.44</u>	<u>2,426,785.18</u>	<u>275,600.00</u>
Detail:					
Salaries and Wages	15,650,000.00	15,650,050.00	14,550,292.75	949,757.25	150,000.00
Other Expenses	<u>12,601,239.62</u>	<u>12,598,089.62</u>	<u>10,995,461.69</u>	<u>1,477,027.93</u>	<u>125,600.00</u>
<b><u>STATUTORY EXPENDITURES WITHIN CAPS</u></b>					
Contribution to:					
Public Employees Retirement System	767,057.70	767,057.70	764,187.68	2,870.02	
Social Security System (O.A.S.I.)	1,142,400.00	1,140,300.00	1,082,256.23	58,043.77	
Police and Firemen's Retirement System of NJ	1,987,647.46	1,987,647.46	1,987,647.46		
Unemployment Compensation Insurance	1,000.00	1,000.00		1,000.00	
Defined Contribution Retirement Program	4,300.00	6,400.00	6,296.99	103.01	
Sick Leave Trust Account	35,000.00	35,000.00	35,000.00		
Total Statutory Expenditures within Caps	<u>3,937,405.16</u>	<u>3,937,405.16</u>	<u>3,875,388.36</u>	<u>62,016.80</u>	
Total Appropriations within Caps	<u>32,188,644.78</u>	<u>32,185,544.78</u>	<u>29,421,142.80</u>	<u>2,488,801.98</u>	<u>275,600.00</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Exhibit A-3

Sheet 6 of 9

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>						
SFSP Fire District Payment	\$ 9,252.00	\$	9,252.00	\$ 9,252.00	\$	\$
Length of Service Awards Program (LOSAP)	25,000.00		25,000.00	25,000.00		
Local Matching Fund for Grants	500.00		500.00		500.00	
<b><u>Shared Service Agreements</u></b>						
Board of Health						
Salaries and Wages	229,000.00		229,000.00	221,178.89	7,821.11	
Other Expenses	34,060.00		34,060.00	32,310.04	1,749.96	
Board of Health - VNA Health Group						
Salaries and Wages	25,000.00		25,000.00	12,674.27	12,325.73	
Other Expenses	3,750.00		3,750.00	2,026.14	1,723.86	
Board of Health - Lead Inspector						
Salaries and Wages	8,000.00		8,000.00	2,251.55	5,748.45	
Other Expenses	14,000.00		14,000.00	3,089.16	10,910.84	
Monmouth Regional HICMC						
Salaries and Wages	5,871.00		5,871.00	5,871.00		
Other Expenses	5,055.00		5,055.00	2,422.96	2,632.04	
Information Technology						
Salaries and Wages	160,000.00		160,000.00	159,314.37	685.63	
Licensed Operational Services						
Salaries and Wages	83,000.00		93,500.00	93,304.44	195.56	
Dispatch Services						
County of Monmouth						
Other Expenses	376,585.21		376,585.21	376,585.21		
Road Repair and Maintenance						
Fuel Oil						
Other Expenses	200,000.00		200,000.00	197,499.23	2,500.77	
Equipment Maintenance						
Other Expenses	35,000.00		61,200.00	61,200.00		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 7 of 9

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>		<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>			<u>Paid or Charged</u>	<u>Reserved</u>	
Police - School Resource Officer	\$ 18,000.00	\$	18,000.00	\$ 13,425.00	\$ 4,575.00	\$
Salaries and Wages						
Police - School Security Detail	105,000.00		105,000.00	79,657.20	25,342.80	
Salaries and Wages						
Western Monmouth Active Shooter	11,110.00		11,110.00	7,645.02	3,464.98	
Other Expenses						
Construction Code - Borough of Freehold	60,000.00		60,000.00	59,176.00	824.00	
Other Expenses						
Township of Marlboro - Municipal Court	22,000.00		22,900.00	22,874.93	25.07	
Salaries and Wages						
<b><u>Public and Private Programs Offset by Revenues</u></b>						
State Grants:						
Alliance to Prevent Alcoholism and Drug Abuse:						
State Share	41,010.00		41,010.00	41,010.00		
Local Share	10,252.50		10,252.50	10,252.50		
Body Armor Fund	6,596.91		6,596.91	6,596.91		
Clean Communities Program			83,927.46	83,927.46		
Drunk Driving Enforcement Fund	7,040.67		7,040.67	7,040.67		
Family Health Initiatives	10,000.00		10,000.00	10,000.00		
Radon Awareness Program			2,000.00	2,000.00		
Recycling Tonnage Grant	91,879.35		91,879.35	91,879.35		
Safe and Secure Communities Program:						
State Share	60,000.00		60,000.00	60,000.00		
Local Share	30,000.00		30,000.00	30,000.00		
Federal Grants:						
Bulletproof Vests	4,250.00		4,250.00	4,250.00		
Childhood Lead Exposure Prevention			25,704.00	25,704.00		
Click It or Ticket	5,500.00		5,500.00	5,500.00		
Distracted Driver	5,500.00		5,500.00	5,500.00		
Total Operations excluded from Caps	<u>1,680,212.64</u>		<u>1,851,444.10</u>	<u>1,770,418.30</u>	<u>81,025.80</u>	

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 8 of 9

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Reserved	Reserved	
Detail:						
Salaries and Wages	\$ 766,871.00	\$ 768,271.00	\$ 711,551.65	\$ 56,719.35		
Other Expenses	913,341.64	1,083,173.10	1,058,866.65	24,306.45		
	<u>\$ 1,680,212.64</u>	<u>\$ 1,851,444.10</u>	<u>\$ 1,770,418.30</u>	<u>\$ 81,025.80</u>		
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</b>						
Capital Improvement Fund	400,000.00	400,000.00	400,000.00			
	<u>400,000.00</u>	<u>400,000.00</u>	<u>400,000.00</u>			
<b>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</b>						
Payment of Bond Principal	2,065,000.00	2,065,000.00	2,065,000.00			477,600.00
Payment of Bond Anticipation and Capital Notes	600,000.00	600,000.00	122,400.00			
Interest on Bonds	486,381.00	486,381.00	486,381.00			1,205.23
Interest on Notes	433,880.00	433,880.00	432,674.77			
M.C.I.A. Bond Principal	314,500.00	314,500.00	314,500.00			2.58
M.C.I.A. Bond Interest	82,880.00	82,880.00	82,877.42			56.59
M.C.I.A. Lease Principal	378,823.00	378,823.00	378,766.41			3,197.99
M.C.I.A. Lease Interest	84,065.00	84,065.00	80,867.01			
Total Municipal Debt Service excluded from Caps	<u>4,445,529.00</u>	<u>4,445,529.00</u>	<u>3,963,466.61</u>			<u>482,062.39</u>
<b>TRANSFERRED TO BOARD OF EDUCATION</b>						
Board of Education	950,975.00	950,975.00	950,975.00			
Total General Appropriations excluded from Caps	<u>7,476,716.64</u>	<u>7,647,948.10</u>	<u>7,084,859.91</u>	<u>81,025.80</u>		<u>482,062.39</u>
Subtotal General Appropriations Reserve for Uncollected Taxes	39,665,361.42	39,833,492.88	36,506,002.71	2,569,827.78		757,662.39
	<u>1,938,612.50</u>	<u>1,938,612.50</u>	<u>1,938,612.50</u>			
Total General Appropriations	<u>\$ 41,603,973.92</u>	<u>\$ 41,772,105.38</u>	<u>\$ 38,444,615.21</u>	<u>\$ 2,569,827.78</u>		<u>\$ 757,662.39</u>
Ref.	A-3	A-3	A-3	A		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 9 of 9**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b><u>Ref.</u></b>	<b><u>Appropriated Budget After Modification</u></b>
Budget	A-2	\$ 41,603,973.92
Added by N.J.S. 40A:4-87	A-2	168,131.46
	A-3	<u>\$ 41,772,105.38</u>
		<b><u>Expended Paid or Charged</u></b>
Disbursements	A-4	\$ 34,780,782.02
Reserve for:		
Encumbrances	A	1,352,478.03
Tax Appeals		
Uncollected Taxes	A-2	1,938,612.50
Prepaid Health Premiums		(10,918.23)
Interfund - Grant Fund	A-13	<u>383,660.89</u>
	A-3	<u>\$ 38,444,615.21</u>

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

TRUST FUND

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**TRUST FUND**

**Exhibit B**

**STATEMENTS OF ASSETS, LIABILITIES,**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b><u>Assets</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-1	\$ 74,044.66	\$ 78,741.68
<b><u>Other Trust Fund</u></b>			
Cash	B-1	13,988,945.88	14,152,360.41
		<u>\$ 14,062,990.54</u>	<u>\$ 14,231,102.09</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Prepaid Licenses	B-1,3	\$ 13,259.40	\$ 13,171.20
Due State of New Jersey	B-2	2.40	
Reserve for Animal Control Trust Fund	B-3	53,350.13	51,437.45
Interfund - Current Fund	B-4	7,432.73	14,133.03
		<u>74,044.66</u>	<u>78,741.68</u>
<b><u>Other Trust Fund</u></b>			
Miscellaneous Reserves	B-5	13,639,533.07	13,690,673.02
Interfund - Current Fund	B-6	349,412.81	461,687.39
		<u>13,988,945.88</u>	<u>14,152,360.41</u>
		<u>\$ 14,062,990.54</u>	<u>\$ 14,231,102.09</u>

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



GENERAL CAPITAL FUND

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C**

**STATEMENTS OF ASSETS, LIABILITIES,**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<b><u>Ref.</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$ 9,784,468.06 A	\$ 9,275,425.05
Grants Receivable	C-3	402,000.00	136,136.90
Interfund - Current Fund	C-2	1,490.14	23,086.22
Loan Receivable		331,914.81	328,924.81
Deferred Charges to Future Taxation:			
Funded	C-4	28,827,594.42	22,822,952.42
Unfunded	C-5	38,172,155.70	39,672,055.70
Capital Lease	C-12	2,771,510.00	2,141,800.00
		<u>\$ 80,291,133.13</u>	<u>\$ 74,400,381.10</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
General Serial Bonds	C-6	\$ 28,325,000.00	\$ 22,175,000.00
Green Trust Loan	C-7	502,594.42	647,952.42
Bond Anticipation Notes	C-8	5,200,000.00	10,847,000.00
Improvement Authorizations:			
Funded	C-9	3,295,429.62	2,309,327.50
Unfunded	C-9	37,904,570.32	33,958,761.41
Capital Improvement Fund	C-10	354,633.41	395,133.41
Down Payments on Improvements	C-11	95,737.00	95,737.00
M.C.I.A. Lease Payable	C-12	2,771,510.00	2,141,800.00
Reserve for:			
Debt Service	C-3	87,937.81	87,937.81
Historical Preservation	C-3	9,203.20	9,203.20
Improvements	C-3	21,376.00	21,376.00
Reserve for Receivables:			
Loans Receivable	C	331,914.81	328,924.81
Fund Balance	C-1	1,391,226.54	1,382,227.54
		<u>\$ 80,291,133.13</u>	<u>\$ 74,400,381.10</u>

There were bonds and notes authorized but not issued on December 31, 2019 and 2018 of \$32,972,155.70 and \$28,825,055.70, respectively (Exhibit C-13).

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-1**

**STATEMENT OF CHANGE IN FUND BALANCE**

**REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Ref.</u>	
Balance December 31, 2018	C	\$ 1,382,227.54
Increased by:		
Receipts:		
Premium on Sale of Bonds and Notes	C-2	<u>204,233.00</u>
		1,586,460.54
Decreased by:		
Capital Fund Balance to Current Fund	C-2	<u>195,234.00</u>
Balance December 31, 2019	C	<u>\$ 1,391,226.54</u>

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

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WATER-SEWER UTILITY FUND

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY FUND**

**Exhibit D**

**STATEMENTS OF ASSETS, LIABILITIES,**

**Sheet 1 of 2**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b><u>Assets</u></b>			
Operating Fund:			
Cash and Cash Equivalents	D-6	\$ 1,954,586.77	\$ 3,504,686.86
Investments	D-6	7,854,509.75	7,730,010.40
Cash - Change Fund		100.00	100.00
		<u>9,809,196.52</u>	<u>11,234,797.26</u>
Receivables with Full Reserves:			
Water Charges Receivable	D-9	243,658.70	210,411.79
Sewer Charges Receivable	D-10	382,147.68	347,403.06
		<u>625,806.38</u>	<u>557,814.85</u>
Total Operating Fund		<u>10,435,002.90</u>	<u>11,792,612.11</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	D-6	<u>383,642.18</u>	<u>383,642.18</u>
Capital Fund:			
Cash and Cash Equivalents	D-6	5,429,815.28	4,579,815.27
Connection Fees Receivable	D-11	18,576.00	21,672.00
Fixed Capital	D-12	51,460,050.21	51,147,663.52
Fixed Capital Authorized and Uncompleted	D-13	<u>22,768,834.91</u>	<u>20,012,834.91</u>
Total Capital Fund		<u>79,677,276.40</u>	<u>75,761,985.70</u>
		<u>\$ 90,495,921.48</u>	<u>\$ 87,938,239.99</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY FUND**

**Exhibit D**

**STATEMENTS OF ASSETS, LIABILITIES,**

**Sheet 2 of 2**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b><u>Liabilities, Reserves and Fund Balance (Continued)</u></b>			
Operating Fund:			
Appropriation Reserves	D-5,14	\$ 1,087,832.34	\$ 790,043.14
Reserve for Encumbrances	D-5,14	385,932.07	291,199.61
Accounts Payable	D-14	2,855.25	3,094.75
Prepaid Water-Sewer Rents	D-6,9,10	25,123.77	24,007.40
Accrued Interest on Bonds and Notes	D-15	61,665.65	69,897.32
		<u>1,563,409.08</u>	<u>1,178,242.22</u>
Reserve for Receivables		625,806.38	557,814.85
Operating Fund Balance	D-3	8,245,787.44	10,056,555.04
Total Operating Fund		<u>10,435,002.90</u>	<u>11,792,612.11</u>
Assessment Trust Fund:			
Fund Balance	D-2	<u>383,642.18</u>	<u>383,642.18</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-16	1,681,693.40	837,103.74
Unfunded	D-16	8,532,259.02	7,083,175.67
Capital Improvement Fund	D-17	429,752.57	429,752.57
Reserve for Amortization	D-18	52,112,560.21	51,338,463.52
Deferred Reserve for Amortization	D-19	4,990,038.52	4,418,138.52
Serial Bonds	D-20	8,274,000.00	7,300,000.00
Bond Anticipation Notes	D-21	2,000,000.00	3,000,000.00
M.C.I.A. Lease Payable	D-22	337,490.00	34,200.00
Reserve for Infrastructure Contribution		81,274.29	81,274.29
Reserve for Accounts Receivable		18,576.00	21,672.00
Fund Balance	D-1	<u>1,219,632.39</u>	<u>1,218,205.39</u>
Total Capital Fund		<u>79,677,276.40</u>	<u>75,761,985.70</u>
		<u>\$ 90,495,921.48</u>	<u>\$ 87,938,239.99</u>

There were bonds and notes authorized but not issued on December 31, 2019 and 2018 of \$6,514,796.39 and \$5,069,696.39, respectively (Exhibit D-23).

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-1**

**STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	<u>Ref.</u> D		\$ 1,218,205.39
Increased by:			
Reserve for Receivable Realized	D-6	\$ 3,096.00	
Premium on Sale of Bonds and Notes	D-6	<u>52,343.00</u>	
			55,439.00
			<u>1,273,644.39</u>
Decreased by:			
Anticipated as Revenue in Utility Operating	D-6		<u>54,012.00</u>
Balance December 31, 2019	D		<u>\$ 1,219,632.39</u>

**WATER-SEWER UTILITY ASSESSMENT FUND**

**STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Exhibit D-2**

Balance December 31, 2018 and 2019	<u>Ref.</u> D		<u>\$ 383,642.18</u>
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The accompanying Notes to Financial Statements are an integral part of these statements.



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

Exhibit D-3

**STATEMENTS OF OPERATIONS AND**

**CHANGE IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>Ref.</u>	<u>Year 2019</u>	<u>Year 2018</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	D-4	\$ 4,021,949.00	\$ 3,119,118.00
Rents:			
Water Charges	D-4	4,038,704.84	4,069,729.16
Sewer Charges	D-4	7,477,944.60	7,490,912.40
Miscellaneous:			
Water Connection Fees	D-4	103,359.29	143,933.70
Sewer Connection Fees	D-4	62,190.62	106,469.16
Interest on Deposits	D-4	189,764.35	174,025.90
Fire Hydrant Service	D-4	208,989.30	205,241.60
Miscellaneous Revenue Anticipated	D-4	98,822.22	86,183.24
Utility Capital Fund - Fund Balance	D-4	54,012.00	33,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-15	606,406.17	1,229,325.57
Accounts Payable Cancelled	D		7,199.94
Total Income		<u>16,862,142.39</u>	<u>16,665,138.67</u>
<b><u>Budget and Other Expenditures</u></b>			
Budget:			
Operating		12,313,740.00	10,312,070.00
Capital Improvements		410,000.00	813,000.00
Debt Service		1,595,319.99	1,929,161.49
Statutory Expenditures		331,901.00	322,646.00
	D-5	<u>14,650,960.99</u>	<u>13,376,877.49</u>
Excess in Revenues		2,211,181.40	3,288,261.18
Fund Balance January 1	D	10,056,555.04	9,887,411.86
		<u>12,267,736.44</u>	<u>13,175,673.04</u>
Decreased by:			
Utilization by:			
Water-Sewer Operating Budget	D-3	<u>4,021,949.00</u>	<u>3,119,118.00</u>
Fund Balance December 31	D	<u>\$ 8,245,787.44</u>	<u>\$ 10,056,555.04</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-4**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-3	\$ 4,021,949.00	\$ 4,021,949.00	\$
Water Rents	D-3,9	3,605,000.00	4,038,704.84	433,704.84
Sewer Rents	D-3,10	6,695,000.00	7,477,944.60	782,944.60
Miscellaneous:				
Water Connection Fees	D-3,6	25,000.00	103,359.29	78,359.29
Sewer Connection Fees	D-3,6	25,000.00	62,190.62	37,190.62
Interest on Deposits	D-3,6	75,000.00	189,764.35	114,764.35
Fire Hydrant Service	D-3,9	120,000.00	208,989.30	88,989.30
Miscellaneous Other	D-3,4	30,000.00	98,822.22	68,822.22
Utility Capital Fund - Fund Balance	D-3,6	54,012.00	54,012.00	
		<u>\$ 14,650,961.00</u>	<u>\$ 16,255,736.22</u>	<u>\$ 1,604,775.22</u>
	<u>Ref.</u>	D-5		
<b><u>Analysis of Miscellaneous Other</u></b>				
Interest on Delinquent Accounts			\$ 46,475.86	
Meter Installation			21,041.74	
Reconnect and Disconnect Fees			3,575.32	
NSF Check Fees			3,523.00	
Miscellaneous Other			<u>24,206.30</u>	
	D-4,6		<u>\$ 98,822.22</u>	

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

GENERAL FIXED ASSETS ACCOUNT GROUP

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**Exhibit F**

**STATEMENTS OF ASSETS AND LIABILITIES**

**REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	\$ 104,146,700.00	\$ 110,178,500.00
Buildings and Improvements	12,053,800.00	12,053,800.00
Equipment	4,373,434.50	4,372,670.95
Motor Vehicles and Equipment	<u>10,358,293.49</u>	<u>10,302,981.58</u>
	<u>\$ 130,932,227.99</u>	<u>\$ 136,907,952.53</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>\$ 130,932,227.99</u>	<u>\$ 136,907,952.53</u>

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

PAYROLL FUND

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**PAYROLL FUND**

**Exhibit G**

**STATEMENTS OF ASSETS AND LIABILITIES**

**REGULATORY BASIS**

**DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b><u>Assets</u></b>		
Cash	\$ <u>129,434.41</u>	\$ <u>212,296.65</u>
<b><u>Liabilities</u></b>		
Due to Various Agencies	\$ <u>129,434.41</u>	\$ <u>212,296.65</u>

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

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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

**A. Reporting Entity**

The financial statements of the Township of Freehold, County of Monmouth, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or fire districts which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14, as amended by GASB Statements No. 39, 61 and 90, established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units during 2019.

**B. Descriptions of Funds**

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. 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 Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

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

**Animal Control Trust Fund** - animal license revenues and expenditures.

**Other Trust Fund** - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

**General Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Descriptions of Funds (Continued)**

**Water-Sewer Utility Assessment Trust Fund** - used to account for the financing of local utility improvements deemed to benefit the properties against which assessments are levied.

**Water-Sewer Utility Operating Fund** - revenues and expenditures necessary to operate municipally-owned water supply and sewer collection systems from user fees.

**Water-Sewer Utility Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

**General Fixed Assets Account Group** - used to account for fixed assets used in general government operations.

**Payroll Fund** - receipt and disbursement for payroll costs and payroll taxes.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

**Property Taxes and Other Revenues** - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenues** - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Encumbrances** - contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

**Deferred Charges** - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2019 is set forth in Notes 4 and 5.

**Compensated Absences** - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water-Sewer Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2019 is set forth in Note 11.

**Fund Balance** - fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Property Acquired for Taxes** - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Freehold Township School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2018 and decreased by the amount deferred at December 31, 2019.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**County Taxes** - The Township is responsible for levying, collecting, and remitting county taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "Local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Sale of Municipal Assets** - cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

**Interfunds** - Advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

**Cash and Cash Equivalents** - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A. 40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

*N.J.S.A. 17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey,

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Cash and Cash Equivalents (Continued)**

the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**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 that the cost of inventories be reflected on the balance sheet until utilized and expended.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**General Fixed Assets** - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system based on an inspection and historic cost analysis.

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

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

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

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Utility Fixed Assets** - Accounting for utility fund "fixed capital" remains unchanged.

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

Property and equipment of the Water-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

During 2019 and 2018 the following changes occurred in the fixed assets of the Township:

	<b>Balance</b>	<b>Expended from</b>			<b>Balance</b>	
	<b>Jan. 1, 2019</b>	<b>Current/ Capital Funds</b>	<b>Utility Fund</b>	<b>Less: Disposals</b>	<b>Transfers/ Cancelled</b>	<b>Dec. 31, 2019</b>
General Fixed Assets Account Group:						
Land	\$ 110,178,500	\$	\$	\$ 6,031,800	\$	\$ 104,146,700
Buildings and Improvements	12,053,800					12,053,800
Equipment	4,372,671	26,783		26,019		4,373,435
Motor Vehicles and Equipment	10,302,982	899,619		840,627	(3,681)	10,358,293
	<u>136,907,953</u>	<u>926,402</u>		<u>6,898,446</u>	<u>(3,681)</u>	<u>130,932,228</u>
Water-Sewer Utility Capital Fund:						
Fixed Capital	51,147,663		397,635	88,929	3,681	51,460,050
Fixed Capital Authorized and Uncompleted	20,012,835	2,756,000				22,768,835
	<u>71,160,498</u>	<u>2,756,000</u>	<u>397,635</u>	<u>88,929</u>	<u>3,681</u>	<u>74,228,885</u>
	\$ <u>208,068,451</u>	\$ <u>3,682,402</u>	\$ <u>397,635</u>	\$ <u>6,987,375</u>	\$	\$ <u>205,161,113</u>

	<b>Balance</b>	<b>Expended from</b>			<b>Balance</b>
	<b>Jan. 1, 2018</b>	<b>Current/ Capital Funds</b>	<b>Utility Fund</b>	<b>Less: Disposals</b>	<b>Dec. 31, 2018</b>
General Fixed Assets Account Group:					
Land	\$ 110,178,500	\$	\$	\$	\$ 110,178,500
Buildings and Improvements	12,053,800				12,053,800
Equipment	4,232,130	169,702		29,161	4,372,671
Motor Vehicles and Equipment	10,238,853	906,360		842,231	10,302,982
	<u>136,703,283</u>	<u>1,076,062</u>		<u>871,392</u>	<u>136,907,953</u>
Water-Sewer Utility Capital Fund:					
Fixed Capital	51,140,462		118,857	111,656	51,147,663
Fixed Capital Authorized and Uncompleted	17,722,835		3,290,000	1,000,000	20,012,835
	<u>68,863,297</u>		<u>3,408,857</u>	<u>1,111,656</u>	<u>71,160,498</u>
	\$ <u>205,566,580</u>	\$ <u>1,076,062</u>	\$ <u>3,408,857</u>	\$ <u>1,983,048</u>	\$ <u>208,068,451</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Financial Statements**

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**E. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

**F. Impact of Recently Issued Accounting Principles**

**Recent Accounting Pronouncements**

The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township's financial statements.

Statement No. 91, Conduit Debt Obligations, provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 13, 2020. Management does not expect this Statement to have a material impact to the Municipality's financial statements.

**NOTE 2. CASH AND CASH EQUIVALENTS**

**A. Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**A. Deposits (Continued)**

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Township's deposits was \$58,579,842 and the bank balance amount was \$57,027,716. Of this amount \$250,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$56,777,716.

**B. Investments**

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (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 Township, or bonds or other obligations of school districts.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. Investments (Continued)**

- a. (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 section;
  - (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.17:9-41);
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

At year-end, the carrying value of the Township's investments and the investment balance was \$25,750,802.

**U.S. Government Bonds**

The Township has unrealized gains on investments in U.S. Government Bonds, \$63,096 and \$28,651 for the Current Fund and Water-Sewer Utility Fund, respectively, which have been caused by interest rate fluctuations.

<b><u>Description of Securities</u></b>	<b><u>Total Cost</u></b>	<b><u>Market Value</u></b>	<b><u>Unrealized Gain</u></b>
Government Bonds:			
Current Fund	\$ 15,309,203	\$ 15,372,299	\$ 63,096
Water-Sewer Utility Fund	7,160,083	7,188,734	28,651

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

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



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. Investments (Continued)**

At December 31, 2019, the Township had the following recurring fair value measurements:

	<u>Dec. 31, 2019</u>	<u>Fair Value Measurements Using</u>		
		<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Debt Securities:				
U.S. Treasuries	\$ <u>22,561,032</u>	\$ <u>22,561,032</u>	\$ <u>-</u>	\$ <u>-</u>

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

**C. Cash Management Plan**

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

**D. Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

Insured:	
FDIC	\$ 250,000
GUDPA	56,777,716
Investments	<u>24,549,003</u>
	\$ <u>81,576,719</u>

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**D. Credit Risk Categories (Continued)**

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

**E. Interest Rate Risk**

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; 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; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The County has no investment policy that would further limit its investment choices.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with New Jersey statutes. The Township has the intention and the ability to hold all investments to maturity, however, should these investments be redeemed prior to the maturity date future interest revenue would be negatively impacted.

As of December 31, 2019, the Township's investments had the following maturities:

		<b><u>Investment Maturities (In Years)</u></b>			
	<b><u>Cost Value</u></b>	<b><u>1 Year</u></b>	<b><u>1-5 Years</u></b>	<b><u>6-10 Years</u></b>	<b><u>Over 10 Years</u></b>
Debt Securities:					
U.S. Treasuries	\$ <u>22,561,032</u>	\$ <u>-</u>	\$ <u>22,561,032</u>	\$ <u>-</u>	\$ <u>-</u>

**NOTE 3. ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2019 and 2018 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major funds, in the aggregate, are as follows:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 3. ACCOUNTS RECEIVABLE (CONTINUED)**

	<u>Current Fund</u>	<u>Grant Fund</u>	<u>General Capital Fund</u>	<u>Utility Operating Fund</u>	<u>Utility Capital Fund</u>	<u>Total (Memo Only)</u>
<b><u>December 31, 2019</u></b>						
State	\$	\$ 57,240	\$ 402,000	\$	\$	\$ 459,240
Taxes and User Fees	1,751,434			625,806		2,377,240
Other	236,396	2,479	331,915		18,576	589,366
	<u>\$ 1,987,830</u>	<u>\$ 59,719</u>	<u>\$ 733,915</u>	<u>\$ 625,806</u>	<u>\$ 18,576</u>	<u>\$ 3,425,846</u>
<b><u>December 31, 2018</u></b>						
State	\$	\$ 60,772	\$ 136,137	\$	\$	\$ 196,909
Taxes and User Fees	1,567,259			557,815		2,125,074
Other	226,198	8,397	328,925		21,672	585,192
	<u>\$ 1,793,457</u>	<u>\$ 69,169</u>	<u>\$ 465,062</u>	<u>\$ 557,815</u>	<u>\$ 21,672</u>	<u>\$ 2,907,175</u>

**NOTE 4. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 5. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheets at December 31, 2019:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 356,846	\$ 527,677
Grant Fund	526,186	
Animal Control Trust Fund		7,433
Other Trust Fund		349,412
Payroll Fund	<u>1,490</u>	<u>          </u>
	<u>\$ 884,522</u>	<u>\$ 884,522</u>

The purpose of these interfunds is short-term borrowing.

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 6. SCHOOL TAXES**

Local and Regional District School taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

		<b>Balance December 31</b>				
		<b>Local District School Taxes</b>		<b>Regional District School Taxes</b>		
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	
Balance of Tax	\$	35,612,459	\$	13,329,619	\$	13,539,618
Deferred		<u>25,566,589</u>		<u>25,566,589</u>		<u>13,539,618</u>
Tax Payable	\$	<u>10,045,870</u>	\$	<u>9,329,788</u>	\$	<u>13,329,619</u>

**NOTE 7. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 7. DEBT (CONTINUED)**

**A. Long-term Debt**

The Township's long-term debt is summarized as follows:

**General Capital Fund**

3.00% to 5.00% Open Space Refunding Bonds Issued December 16, 2009, installment maturities to September 16, 2021	\$ 85,000
1.50% to 3.50% Open Space Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2014	310,000
2.00% to 3.25% General Obligation Bonds Issued December 1, 2014, installment maturities to December 1, 2026	3,270,000
1.00% to 4.00% General Obligation Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2021	985,000
1.00% to 4.00% Open Space Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2022	925,000
2.00% to 4.00% General Obligation Bonds Issued December 1, 2015, installment maturities to November 1, 2027	5,755,000
4.00% to 5.00% General Obligation Refunding Bonds Issued March 24, 2016, installment maturities to December 1, 2023	1,900,000
1.00% to 3.00% General Obligation Refunding Bonds Issued November 8, 2017, installment maturities to September 15, 2028	6,035,000
1.00% to 4.00% General Obligation Bonds Issued November 4, 2019, installment maturities to October 15, 2031	<u>9,060,000</u>
	<b>\$ <u>28,325,000</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 7. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**Water-Sewer Utility Capital Fund**

3.00% to 5.00% Utility Refunding Bonds Issued December 16, 2009, installment maturities to September 15, 2021	\$ 665,000
1.50% to 3.50% Utility Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2024	865,000
1.00% to 4.00% Utility Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2022	760,000
2.00% to 4.00% Utility Bonds Issued December 11, 2015, installment maturities to November 1, 2027	3,810,000
1.00% to 4.00% General Obligation Bonds Issued November 4, 2019, installment maturities to October 15, 2031	<u>2,174,000</u>
	<b>\$ <u>8,274,000</u></b>

The General Capital Fund bonds mature serially in installments to the year 2028 and the Water-Sewer Utility Capital Fund bonds mature serially in installments to the year 2027. Aggregate debt service requirements are as follows:

**General Capital Fund**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 3,385,000	\$ 756,162
2021	3,430,000	653,431
2022	3,400,000	547,931
2023	3,200,000	450,331
2024	2,755,000	358,506
2025-29	10,415,000	776,382
2030-31	<u>1,740,000</u>	<u>26,100</u>
Total	<b>\$ <u>28,325,000</u></b>	<b>\$ <u>3,568,843</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 7. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**Water-Sewer Utility Capital Fund**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,319,000	\$ 216,661
2021	1,325,000	174,225
2022	1,045,000	134,250
2023	820,000	108,425
2024	840,000	89,475
2025-29	2,515,000	179,188
2030-31	<u>410,000</u>	<u>6,150</u>
Total	\$ <u>8,274,000</u>	\$ <u>908,374</u>

**Green Trust Loan Program**

The Township has six low interest loans (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. A \$2,250,000 loan for open space acquisition was finalized in November 2000. Additional loans of \$400,000, \$600,000 and \$300,000 for Opatut Park were finalized in October 2005, September 2007, and February 2008, respectively. The Township must repay each loan in semi-annual installments over twenty years. The balance December 31, 2019 was \$502,594. Loan payments are due through 2027.

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 72,800	\$ 9,690
2021	74,263	8,226
2022	75,756	6,734
2023	77,279	5,211
2024	78,832	3,658
2025-27	<u>123,664</u>	<u>3,180</u>
Total	\$ <u>502,594</u>	\$ <u>36,699</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 7. DEBT (CONTINUED)**

**B. Short-Term Debt**

On December 31, 2019, the Township's outstanding Bond Anticipation Notes were as follows:

<b><u>Ordinance Number</u></b>	<b><u>General Capital Fund</u></b>	<b><u>Amount</u></b>	<b><u>Interest Rate</u></b>
16-12	Various Improvements	\$ 352,900	1.75%
16-12	Various Improvements	900,000	1.75%
16-12	Various Improvements	127,100	1.75%
18-07	Various Improvements	1,130,000	1.75%
18-07	Various Improvements	850,000	1.75%
19-10	Various Improvements	<u>1,840,000</u>	1.75%
		\$ <u>5,200,000</u>	

<b><u>Ordinance Number</u></b>	<b><u>Water-Sewer Utility Capital Fund</u></b>	<b><u>Amount</u></b>	<b><u>Interest Rate</u></b>
18-08	Various Improvements to the Water-Sewer System	\$ 1,124,000	1.75%
19-11	Various Improvements to the Water-Sewer System	<u>876,000</u>	1.75%
		\$ <u>2,000,000</u>	

**C. Bonds and Notes Authorized but not Issued**

At December 31 the Township had authorized but not issued bonds and notes as follows:

	<b><u>2019</u></b>	<b><u>2018</u></b>
General Capital Fund	\$ 32,972,156	\$ 28,825,056
Water-Sewer Utility Capital Fund	6,514,796	5,069,696

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2019 was .979%. The Township's remaining borrowing power is 2.521%.

The summary of municipal debt for the last three years and the calculation of statutory net debt are presented in the statistical section of this report.



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 7. DEBT (CONTINUED)**

**E. Debt Guarantee**

The Township, by ordinance, has guaranteed payment of principal and interest on 2013 and 2016 capital equipment leases by the Freehold Township School District. The outstanding balance of the lease at December 31, 2019 was \$116,000.

**F. Summary of Debt Activity**

During 2019 and 2018 the following changes occurred in the issued and outstanding debt of the Township:

	<u>Balance</u> <u>Jan. 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Due within</u> <u>One Year</u>
General Capital Fund:					
Serial Bonds	\$ 22,175,000	\$ 9,060,000	\$ 2,910,000	\$ 28,325,000	\$ 3,385,000
Bond Anticipation Notes	10,847,000	2,817,100	8,464,100	5,200,000	5,200,000
Green Trust Loans	647,952		145,358	502,594	72,800
Water-Sewer Utility Capital Fund:					
Serial Bonds	7,300,000	2,174,000	1,200,000	8,274,000	1,319,000
Bond Anticipation Notes	3,000,000	876,000	1,876,000	2,000,000	2,000,000
	<u>\$ 43,969,952</u>	<u>\$ 14,927,100</u>	<u>\$ 14,595,458</u>	<u>\$ 44,301,594</u>	<u>\$ 11,976,800</u>

	<u>Balance</u> <u>Jan. 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Due within</u> <u>One Year</u>
General Capital Fund:					
Serial Bonds	\$ 25,903,000		\$ 3,728,000	\$ 22,175,000	\$ 2,910,000
Bond Anticipation Notes	7,500,000	3,497,200	150,200	10,847,000	10,847,000
Green Trust Loans	879,429		231,477	647,952	145,358
Water-Sewer Utility Capital Fund:					
Serial Bonds	8,785,000		1,485,000	7,300,000	1,200,000
Bond Anticipation Notes	2,556,000	1,545,100	1,101,100	3,000,000	3,000,000
	<u>\$ 45,623,429</u>	<u>\$ 5,042,300</u>	<u>\$ 6,695,777</u>	<u>\$ 43,969,952</u>	<u>\$ 18,102,358</u>

**NOTE 8. TAXES AND SEWER CHARGES COLLECTED IN ADVANCE**

Taxes and water-sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>2019</u>	<u>2018</u>
Prepaid Taxes	\$ 963,239	\$ 871,859
Prepaid Water-Sewer Utility Charges	25,124	24,007

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 9. CAPITAL LEASE**

The Township in 2011, 2013, 2015, 2017 and 2019 authorized capital leases with the Monmouth County Improvement Authority. The amounts authorized for the equipment acquisition were \$582,000, \$844,200, \$1,065,000, \$1,312,000 and \$1,109,410 in the General Capital Fund. The Water-Sewer Utility Capital authorized \$73,800 in the 2013 lease and \$309,590 in the 2019 lease. As described in Note 1, the obligations under the capital lease based upon the regulatory basis of accounting is as follows:

<u>Year</u>	<u>General Capital Fund</u>		<u>Water-Sewer Utility Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 639,030	\$ 126,995	\$ 44,970	\$ 17,125
2021	547,520	100,255	50,480	16,110
2022	547,070	73,855	52,930	13,370
2023	327,620	49,065	55,380	10,510
2024	264,380	34,400	50,620	7,520
2025-29	<u>445,890</u>	<u>56,290</u>	<u>83,110</u>	<u>14,480</u>
Total	\$ <u>2,771,510</u>	\$ <u>440,860</u>	\$ <u>337,490</u>	\$ <u>79,115</u>

**NOTE 10. ACCRUED SICK PAY BENEFITS**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits certain employees within limits to accumulate unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$995,274.30 and \$1,009,211.55 at December 31, 2019 and 2018, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 11. FUND BALANCES**

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the introduced budget for the year ending December 31 of the succeeding year is as follows:

	<u>2019</u>	<u>2018</u>
Current Fund	\$ 7,539,498	\$ 6,928,357
Water-Sewer Utility Fund	2,804,082	4,021,949

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 12. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local and Regional School Districts and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

**NOTE 13. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2019, the Township estimates that no material liabilities will result from such audits.

**Tax Appeals**

The Township has reserved \$6,304 in anticipation of successful tax appeals currently pending before the State courts.

**Major Tax Assessments**

Taxpayers in 2019 with assessments in excess of 1% of the total assessed valuation were as follows:

<u>Owner</u>	<u>Value</u>	<u>Value</u>
Freemall Associates	\$ 355,655,200	5.39%
Eagle Rock	66,726,700	1.01%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 13. CONTINGENT LIABILITIES (CONTINUED)**

**Pending Litigation**

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Township officials believe that negligence and other types of liability suits, of which the Township is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

**NOTE 14. GROUND LEASE**

The Township authorized a ground lease for a parcel of land utilized for the construction of affordable senior housing. The loan amount is \$299,000 bearing an interest rate of one percent (1%) per annum. There are stipulations in the lease agreements for the repayment of the ground lease to the Township. The balance receivable at December 31, 2019 and 2018 is \$331,915 and \$328,925, respectively.

**NOTE 15. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.) The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. A portion of funds collected from employees are transmitted to the State. The Reserve for Unemployment Trust at December 31, 2019 and 2018 is \$98,871 and \$111,715, respectively.

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**General Information about the OPEB Plan**

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

Freehold Township provides post-employment medical, prescription drug and dental coverage to eligible retired employees and their spouses. Non-union employees covered under the NJPERS pension plan hired after January 1<sup>st</sup>, 2010 are not eligible for retirement coverage. Blue Collar union employees hired after January 1<sup>st</sup>, 2010 are extended coverage until Medicare eligibility. For all other employees coverage is provided for the lifetime of the participant. The surviving spouse of a deceased retiree may receive continued benefits for life. The surviving spouse of an active employee who dies while employed with the Township receives no benefits. The Township Plan is a single employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. The Township Plan does not issue a separate financial report.

Freehold Township pays 100% of the insurance cost for the retiree.

**Employees and Retirees Covered** - At December 31, 2018, the following employees were covered by the Township plan:

<u>Participant Data</u>	<u>Amount</u>
Active Employees	150
Retired Employees:	
Retirees	109
Beneficiaries	1
Spouses	<u>78</u>
Total	188

**Actuarial Assumptions and Other Inputs** - This valuation has been conducted as of December 31, 2019 based on census, plan design and premium information provided by the Township. Census includes 188 retired participants (including spouses and beneficiaries) and 150 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2019 of \$68,392,045 is measured at December 31, 2018 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

<b>Actuarial Cost Method</b>	Individual Entry Age Normal as a level percentage of pay
<b>Discount Rate</b>	Based on Government Obligation Index published by Bond Buyer 3.44% as December 31, 2018
<b>Inflation Rate</b>	2.30%
<b>Salary Increases</b>	Sample rates for employees who are covered under the New Jersey Police and Firemen's Retirement System ("NJPFERS"):

<b>Age</b>	<b>FY 2016-2026</b>	<b>FY2026+</b>
25	8.89%	9.98%
30	5.97%	6.97%
35	4.17%	5.17%
40	3.33%	4.33%
45	2.90%	3.90%
50	2.75%	3.75%
55	2.60%	3.60%
60	2.35%	3.35%
64+	2.10%	3.10%

Sample rates for employees who are covered under the New Jersey Public Employees Retirement System ("NJPERS"):

<b>Age</b>	<b>FY 2016-2026</b>	<b>FY2026+</b>
20	4.15%	5.15%
25	3.90%	4.90%
30	3.65%	4.65%
35	3.40%	4.40%
40	3.15%	4.15%
45	2.90%	3.90%
50	2.65%	3.65%
55	2.40%	3.40%
60	2.15%	3.15%
65+	1.65%	2.65%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

**Health Care Cost Trend**

Trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums, and reflects current provisions of the Affordable Care Act of 2010 (ACA) which impose an excise tax for the first time in 2022 for medical coverage which exceeds certain premium thresholds.

<b>Year</b>	<b>Trend for Costs Prior to Age 65</b>	<b>Trend for Costs After Age 64</b>
2018	4.40%	6.80%
2019	4.50%	6.10%
2020	4.70%	5.50%
2021	4.70%	5.40%
2022	4.70%	5.30%
2023	4.70%	5.20%
2024	4.70%	5.00%
2025	4.70%	4.90%
2026	4.70%	4.80%
2027	4.80%	4.80%
2028	4.80%	4.80%
2029	4.80%	4.80%
2030	4.80%	4.80%
2031	4.90%	4.80%
2032	5.40%	4.80%
2033	5.90%	4.80%
2034	5.90%	4.90%
2035	5.90%	4.90%
2036	5.80%	5.10%
2037	5.80%	5.10%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

**Per Capita Claims  
Costs and Premiums**

<b>Age</b>	<b>Healthy Retirees</b>	
	<b>Male</b>	<b>Female</b>
50	16,036	19,195
55	17,113	18,241
60	20,504	20,143
64	25,470	22,990
65	7,073	6,577
70	7,736	7,017
75	8,340	7,368

<b>Age</b>	<b>Disabled Retirees</b>	
	<b>Male</b>	<b>Female</b>
50	21,741	26,023
55	23,201	24,730
60	27,798	27,308
64	34,530	31,169

**2018 Annual Premiums - Medical**

<b>Coverage</b>	<b>Younger than 65</b>	<b>Older than 65</b>
Single	8,666	6,201
2 Adults	18,223	13,013
Family	24,601	20,309
Parent & Child	13,609	11,736

**2018 Annual Premiums - Prescription**

<b>Coverage</b>	
Single	4,935
2 Adults	8,855
Family	11,954
Parent & Child	6,482



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

**Rates of Mortality** RP-2014 Total Dataset Mortality Tables (headcount weighted)  
projected generationally using Scale MP-2018

**Rates of Turnover** Sample Rates for employees who are covered under the New  
Jersey Police and Firemen’s Retirement System (“NJFRS”):

<b>Age</b>	<b>Years of Service</b>	
	<b>2</b>	<b>4</b>
30	2.20%	1.31%
35	2.25%	1.31%
40	2.25%	1.74%
45	2.23%	2.32%
50	2.25%	2.00%
55	3.20%	3.20%
60	3.20%	3.20%
65	0.00%	0.00%

Sample Rates for employees who are covered under the New  
Jersey Public Employees Retirement System (“NJPERs”):

<b>Age</b>	<b>Years of Service</b>	
	<b>&lt;1</b>	<b>2</b>
30	14.67%	11.10%
35	11.74%	8.28%
40	10.52%	7.62%
45	10.08%	7.14%
50	9.58%	6.60%
55	9.40%	6.26%
60	9.40%	6.84%
65	16.54%	16.54%
70+	0.00%	0.00%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

Rates of Retirement		NJPFRS	NJPFRS	NJPERS
	Age	<25 YOS	25+ YOS	Rate
	45	52.98%	15.40%	
	46	52.98%	15.40%	
	47	52.98%	15.40%	
	48	56.77%	15.40%	
	49	56.77%	15.40%	
	50	56.77%	15.40%	
	51	56.77%	15.40%	
	52	56.77%	15.40%	
	53	59.04%	17.48%	
	54	59.04%	17.48%	
	55	59.04%	17.48%	11.70%
	56	66.42%	17.48%	11.70%
	57	77.49%	17.48%	11.70%
	58	77.49%	17.48%	11.70%
	59	77.49%	22.78%	21.00%
	60	77.49%	22.78%	7.80%
	61	77.49%	22.78%	8.40%
	62	77.49%	22.78%	13.44%
	63	77.49%	22.78%	10.50%
	64	77.49%	37.80%	10.50%
	65	100.00%	100.00%	16.54%
	66			15.75%
	67			13.65%
	68			11.55%
	69			11.55%
	70			100.00%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

**Rates of Disability**

Sample Rates for employees who are covered under the New Jersey Police and Firemen's Retirement System ("NJPFERS"):

<u>Age</u>	<u>Rate</u>
30	0.286%
35	0.571%
40	0.718%
45	0.739%
50	0.689%
55	0.881%
60	1.441%
64	2.561%

**Spouse Assumption**

Marital status is assumed not to change prior to or after retirement. 55% of active participants retiring after the valuation date are assumed to be married and elect coverage for their spouse.

**Retiree Participation**

100% of eligible retirees are assumed to elect to participate in the plan

**Funding Policy**

Pay as you go basis

**Investment Rate of Return**

Not applicable

**Asset Valuation Method**

Not applicable

**Discount Rate** - The discount rate is the single rate that reflects (1) the actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return and (2) the actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate. For the total OPEB liability calculation as of December 31, 2019, the discount rate utilized was 4.10%.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Changes in the Total OPEB Liability** - The changes to the total OPEB Liability during the year ending December 31, 2019 were as follows:

Balance, January 1, 2019	\$ <u>73,575,363</u>
Changes for the Year:	
Service Cost	1,864,737
Interest Cost	2,556,689
Changes of Assumptions	(7,350,196)
Benefits Paid (implicit)	<u>(2,254,548)</u>
Net Changes	<u>(5,183,318)</u>
Balance, December 31, 2019	\$ <u><u>68,392,045</u></u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (3.18 percent) or 1-percentage pointer higher (5.10 percent) that the current discount rate:

	<b><u>At 1%</u></b>	<b><u>At Discount</u></b>	<b><u>At 1%</u></b>
	<b><u>Decrease</u></b>	<b><u>Rate (4.10%)</u></b>	<b><u>Increase</u></b>
	<b><u>(3.10%)</u></b>		<b><u>(5.10%)</u></b>
Total OPEB Liability	\$ 80,032,777	\$ 68,392,045	\$ 59,175,373

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher that the current healthcare cost trend rate:

	<b><u>1%</u></b>	<b><u>Current</u></b>	<b><u>1%</u></b>
	<b><u>Decrease</u></b>	<b><u>Trend Rate</u></b>	<b><u>Increase</u></b>
Total OPEB Liability	\$ 58,428,747	\$ 68,392,045	\$ 81,138,752

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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

For the year ended December 31, 2019, the Township's OPEB expense was estimated to be \$3,960,899. At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 0	\$ 0
Changes of Assumptions	<u>0</u>	<u>3,532,778</u>
	<u>\$ 0</u>	<u>\$ 3,532,778</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

2020	\$ 460,527
2021	460,527
2022	460,527
2023	460,527
2024	460,527
Thereafter	<u>1,230,143</u>
	<u>\$ 3,532,778</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Other Supplementary Information**

**Schedule of Changes in the Township's Total OPEB Liability and Related Ratios**

	<u>2019</u>
Service Cost	\$ 1,864,737
Interest Cost	2,556,689
Changes of Assumptions	(7,350,196)
Benefit Paid (Implicit)	<u>(2,254,548)</u>
Net Change in Total OPEB Liability	<u>(5,183,318)</u>
Total OPEB Liability, Beginning	\$ 73,575,363
Total OPEB Liability, Ending	\$ 68,392,045
Covered Payroll	\$ 15,082,892
Total OPEB Liability as a % of Covered Payroll	453.44%

**Schedule of Funding Progress**

Year Ended	<u>2019</u>	<u>2018</u>
Total OPEB Liability	\$ 68,392,045	\$ 73,575,363
Fiduciary Net Position	<u>0</u>	<u>0</u>
Net OPEB Liability	\$ <u>68,392,045</u>	\$ <u>73,575,363</u>
Funded Ratio	0	0
Covered Payroll	\$ 15,082,892	\$ 15,008,482
Net OPEB Liability as a Percentage of Covered Payroll	453.44%	490.23%

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Contributions** - 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 insurance benefits is based on actual claims paid. For the fiscal year 2019, 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. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, The Township's contractually required contribution to PERS plan was \$970,959.

**Net Pension Liability and Pension Expense** - At December 31, 2019, the Township's proportionate share of the PERS net pension liability is valued to be \$19,055,889. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Township's proportion measured as of June 30, 2019, was .09678%, which was a decrease of .00234% from its proportion measured as of June 30, 2018.

**Collective Balances at December 31, 2019 and December 31, 2018**

	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Actuarial Valuation Date (including roll forward)	July 1, 2018	July 1, 2017
Deferred Outflows of Resources	\$ 3,978,893	\$ 6,017,468
Deferred Inflows of Resources	7,124,213	5,099,752
Net Pension Liability	19,055,889	23,072,473
Township's Portion of the Plan's Total Net Pension Liability	0.09678%	0.09912%

For the year ended December 31, 2019, the Township had an allocated pension expense of \$1,711,376.



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 363,399	\$ 98,258
Changes of assumptions	3,140,095	6,093,060
Net difference between projected and actual earnings on pension plan investments		178,745
Changes in proportion	<u>475,399</u>	<u>754,150</u>
	\$ <u>3,978,893</u>	\$ <u>7,124,213</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense are as follows:

<b><u>Year Ending December 31</u></b>	<b><u>PERS</u></b>
2019	\$ 76,507
2020	(238,863)
2021	(1,368,816)
2022	(1,193,936)
2023	<u>(420,212)</u>
	\$ <u>(3,145,320)</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources (Continued)**

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference between Projected and Actual Earnings on Pension Plan Investments:		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
 Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	<u>PERS</u> 2.25%
Salary Increases:	
Through 2026	1.65 - 4.15% Based on Age
Thereafter	2.65 - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2011 - June 30, 2014

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Long-Term Expected Rate of Return (Continued)**

	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2019. This single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87 as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	<b><u>Decrease</u></b> <b><u>(4.66%)</u></b>	<b><u>Discount</u></b> <b><u>(5.66%)</u></b>	<b><u>Increase</u></b> <b><u>(6.66%)</u></b>
Township's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 23,960,585	\$ 19,055,889	\$ 14,941,163

**B. Police and Firemen's Retirement System (PFRS)**

**Plan Description** - The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - 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. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$1,987,647 for 2019.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

**Net Pension Liability and Pension Expense** - At December 31, 2019, the Township's proportionate share of the PFRS net pension liability is valued to be \$26,888,144. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Township's proportion measured as of June 30, 2019, was .19871%, which was a decrease of .03123% from its proportion measured as of June 30, 2018.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

**Net Pension Liability and Pension Expense (Continued)**

**Collective Balances at December 31, 2019 and December 31, 2018**

	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Actuarial Valuation Date (including roll forward)	July 1, 2018	July 1, 2017
Deferred Outflows of Resources	\$ 3,113,380	\$ 5,994,759
Deferred Inflows of Resources	11,244,136	6,073,954
Net Pension Liability	26,888,144	35,498,632
Township's Portion of the Plan's Total Net Pension Liability	0.19871%	0.22994%

For the year ended December 31, 2019, the Township had an allocated pension expense of \$1,428,696.

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 273,552	\$ 111,269
Changes of assumptions	2,307,985	6,890,967
Net difference between projected and actual earnings on pension plan investments		147,103
Changes in proportion	<u>531,843</u>	<u>4,094,797</u>
	\$ <u>3,113,380</u>	\$ <u>11,244,136</u>



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense are as follows:

<u>Year Ending December 31</u>	<u>PFRS</u>		
2019	\$ (481,350)		
2020	(1,492,093)		
2021	(2,893,351)		
2022	(2,112,489)		
2023	(1,151,473)		
	<u>\$ (8,130,756)</u>		
		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			
Year of Pension Plan Deferral:			
June 30, 2014	-		-
June 30, 2015	-		5.53
June 30, 2016	-		5.58
June 30, 2017	5.59		
June 30, 2018	5.73		
Changes of Assumptions			
Year of Pension Plan Deferral:			
June 30, 2014	6.17		-
June 30, 2015	5.53		-
June 30, 2016	5.58		-
June 30, 2017	-		5.59
June 30, 2018	-		5.73

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Net Difference between Projected and Actual Earnings on Pension Plan Investments:		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73

**Special Funding Situation** - Under 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.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers 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 non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$3,652,310 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2019 was .19871%, which was a decrease of .03123% from its proportion measured as of June 30, 2019, which is the same proportion as the Township's.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

**Special Funding Situation (Continued)**

Township's Proportionate Share of the Net Pension Liability	\$ 26,888,144
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>3,652,310</u>
	\$ <u>30,540,454</u>

For the year ended December 31, 2019, the Township's total allocated pension expense was \$1,861,306.

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	<b><u>PFRS</u></b> 2.25%
Salary Increases:	
Through 2026	2.10 - 8.98% Based on Age
Thereafter	3.10 - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2010 - June 30, 2013

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

**Actuarial Assumptions (Continued)**

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

**Long-Term Expected Rate of Return (Continued)**

	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2019**

**NOTE 17. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen's Retirement System (PFRS) (Continued)**

**Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	<b><u>Decrease</u></b> <b><u>(5.51%)</u></b>	<b><u>Discount</u></b> <b><u>(6.51%)</u></b>	<b><u>Increase</u></b> <b><u>(7.51%)</u></b>
Township's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 35,968,443	\$ 26,888,144	\$ 19,393,703

**C. Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A. 43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Township.

**TOWNSHIP OF FREEHOLD**

**COUNTY OF MONMOUTH**

**PART II**

**SUPPLEMENTARY DATA**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2019**

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**COMPARATIVE STATEMENT OF OPERATIONS AND**

**CHANGES IN FUND BALANCE - CURRENT FUND**

	<u>2019</u>		<u>2018</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	\$ 6,928,357.00	4.10%	\$ 6,455,872.00	3.88%
Miscellaneous - From Other Than Local Property Tax Levies	17,958,795.57	10.63%	17,877,938.11	10.74%
Collection of Delinquent Taxes and Tax Title Liens	1,112,816.96	0.66%	1,031,457.76	0.62%
Collection of Current Tax Levy	<u>142,874,987.01</u>	<u>84.60%</u>	<u>141,133,020.34</u>	<u>84.77%</u>
Total Income	<u>168,874,956.54</u>	<u>100.00%</u>	<u>166,498,288.21</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Budget Expenditures	39,075,830.49	24.29%	38,680,439.59	24.28%
County Taxes	18,915,316.74	11.76%	19,215,195.44	12.06%
Local School Taxes	70,760,205.00	43.99%	69,370,444.00	43.55%
Regional School Taxes	27,497,087.00	17.10%	27,926,432.00	17.53%
Special District Taxes - Fire	2,530,322.00	1.57%	1,960,868.00	1.23%
Municipal Open Space Taxes	1,977,735.27	1.23%	1,897,910.10	1.19%
Other Expenditures	<u>87,520.00</u>	<u>0.05%</u>	<u>233,033.40</u>	<u>0.15%</u>
Total Expenditures	<u>160,844,016.50</u>	<u>100.00%</u>	<u>159,284,322.53</u>	<u>100.00%</u>
Excess in Revenue	8,030,940.04		7,213,965.68	
Fund Balance, January 1	<u>10,636,917.01</u>		<u>9,878,823.33</u>	
	18,667,857.05		17,092,789.01	
Decreased by:				
Utilized as Anticipated Revenue	<u>6,928,357.00</u>		<u>6,455,872.00</u>	
Fund Balance, December 31	<u>\$ 11,739,500.05</u>		<u>\$ 10,636,917.01</u>	



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**COMPARATIVE STATEMENT OF OPERATIONS AND**  
**CHANGES IN FUND BALANCE - WATER-SEWER UTILITY FUND**

	<b>2019</b>		<b>2018</b>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	\$ 4,021,949.00	23.85%	\$ 3,119,118.00	18.72%
User Fees	11,516,649.44	68.30%	11,560,641.56	69.37%
Miscellaneous From Other than User Fees	<u>1,323,543.95</u>	<u>7.85%</u>	<u>1,985,379.11</u>	<u>11.91%</u>
Total Income	<u>16,862,142.39</u>	<u>100.00%</u>	<u>16,665,138.67</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Operating	12,313,740.00	84.05%	10,312,070.00	77.09%
Capital Improvements	410,000.00	2.80%	813,000.00	6.08%
Debt Service	1,595,319.99	10.89%	1,929,161.49	14.42%
Statutory Expenditures	<u>331,901.00</u>	<u>2.27%</u>	<u>322,646.00</u>	<u>2.41%</u>
Total Expenditures	<u>14,650,960.99</u>	<u>100.00%</u>	<u>13,376,877.49</u>	<u>100.00%</u>
Excess in Revenue	2,211,181.40		3,288,261.18	
Fund Balance, January 1	<u>10,056,555.04</u>		<u>9,887,411.86</u>	
	12,267,736.44		13,175,673.04	
Decreased by:				
Utilized by Water-Sewer Operating Budget	<u>4,021,949.00</u>		<u>3,119,118.00</u>	
Fund Balance, December 31	<u>\$ 8,245,787.44</u>		<u>\$ 10,056,555.04</u>	

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	\$ <u>2.139</u>	\$ <u>2.211</u>	\$ <u>2.243</u>
Apportionment of Tax Rate			
Net County Levy	.241	.256	.270
County Library Tax	.017	.018	.019
County Open Space Tax	.028	.029	.016
Municipal Open Space Tax	.030	.030	.030
District School Tax	1.074	1.097	1.107
Regional School District	.417	.441	.455
Local Municipal Purpose Tax	.332	.340	.346
Fire Districts			
Number 1	.046	.023	.027
Number 2	.030	.042	.043
Assessed Valuation			
2019	\$ 6,592,450,900		
2018		\$ 6,326,367,000	
2017			\$ 6,145,883,500

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2019	\$ 144,253,560	\$ 142,874,987	99.04%
2018	142,437,519	141,133,020	99.08%
2017	140,284,595	139,166,864	99.20%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	\$ 392,941	\$ 1,358,493	\$ 1,751,434	1.21%
2018	373,555	1,193,703	1,567,258	1.10%
2017	346,326	1,083,809	1,430,135	1.02%

**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 in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 584,150
2018	584,150
2017	584,150

**COMPARISON OF WATER-SEWER UTILITY RENTS**

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Cash Collections</u>
2019	\$ 12,011,527	\$ 557,815	\$ 11,943,535
2018	12,133,474	477,816	12,053,476
2017	12,136,761	719,289	12,378,234

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<b><u>Current Fund</u></b>		
2019	\$ 11,739,500	\$ 7,539,498
2018	10,636,917	6,928,357
2017	9,478,823	6,455,872
2016	8,282,107	5,835,000
2015	7,053,814	5,076,000
<b><u>Water Utility Operating Fund</u></b>		
2019	\$ 8,245,787	\$ 2,804,682
2018	10,056,555	4,021,949
2017	9,887,412	3,119,118
2016	9,448,648	3,149,024
2015	8,628,397	3,065,817

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes, and Loans	\$ 34,027,594	\$ 33,669,952	\$ 34,282,429
Board of Education Lease Guarantee	116,000	227,000	408,000
Water-Sewer Utility:			
Bonds and Notes	<u>10,274,000</u>	<u>10,300,000</u>	<u>11,341,000</u>
	<u>44,417,594</u>	<u>44,196,952</u>	<u>46,031,429</u>
Less:			
Funds Temporarily Held to Pay			
Bonds and Notes:			
General Capital Fund	87,938	87,938	138,138
Open Space Debt not Subject to			
Capital Fund	<u>2,316,594</u>	<u>2,992,452</u>	<u>3,743,909</u>
	<u>2,404,532</u>	<u>3,080,390</u>	<u>3,882,047</u>
	<u>42,013,062</u>	<u>41,116,562</u>	<u>42,149,382</u>
 <b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	32,972,156	28,825,056	27,138,256
Water-Sewer Utility:			
Bonds and Notes	<u>6,514,796</u>	<u>5,069,696</u>	<u>3,584,796</u>
Total Authorized but not Issued	<u>39,486,952</u>	<u>33,894,752</u>	<u>30,723,052</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 \$ <u>81,500,014</u>	 \$ <u>75,011,314</u>	 \$ <u>72,892,434</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of .979%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 34,145,000	\$ 34,145,000	\$
Regional School District Debt	1,023,555	1,023,555	
Water-Sewer Utility Debt	16,788,796	16,788,796	
General Debt	<u>67,115,750</u>	<u>2,404,532</u>	<u>64,711,218</u>
	<u>\$ 119,073,101</u>	<u>\$ 54,361,883</u>	<u>\$ 64,711,218</u>

Net Debt \$64,711,218 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$6,612,250,440 = .979%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 231,428,765
Net Debt	<u>64,711,218</u>
Remaining Borrowing Power	\$ <u>166,717,547</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 16,255,736
Deductions:		
Operating and Maintenance Cost	\$ 12,645,641	
Debt Service per Water Account	<u>1,595,320</u>	
Total Deductions		<u>14,240,961</u>
Excess in Revenue		\$ <u>2,014,775</u>

The foregoing debt information is in agreement with a revised Annual Debt Statement as filed by the Chief Financial Officer.

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-4**

**SCHEDULE OF CASH AND INVESTMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018:			
Cash and Cash Equivalents	\$	23,158,415.64	
Investments		<u>16,337,939.66</u>	
			\$ 39,496,355.30
Increased by Receipts:			
Taxes Receivable		142,912,835.17	
Tax Title Liens Receivable		3,885.03	
Revenue Accounts Receivable		13,172,791.32	
State of New Jersey (Ch. 20, P.L. 1971)		195,330.13	
Prepaid Taxes		888,856.13	
Tax Overpayments		230,963.46	
Interest and Costs on Taxes		275,614.45	
Prepaid Fees and Permits		24,365.00	
Interfunds:			
Other Funds		127,897.75	
Grant Fund		429,421.79	
Due to State for Fees Collected		84,948.10	
Prepaid Health Benefits		14,072.09	
Police Special Duty Service		858,625.35	
Miscellaneous Revenue not Anticipated		1,411,970.27	
Petty Cash		<u>1,050.00</u>	
			<u>160,632,626.04</u>
			<u>200,128,981.34</u>
Decreased by Disbursements:			
Budget Appropriations		34,780,782.02	
Appropriation Reserves		1,496,766.82	
Accounts Payable		1,418.37	
Tax Overpayments Refunded		227,757.16	
Due to State for Fees Collected		97,181.10	
Special District Tax		2,530,322.00	
Municipal Open Space Tax		1,977,735.27	
County Taxes		18,902,177.14	
Local School District Taxes		70,044,123.00	
Regional School District Taxes		27,705,057.00	
Interfunds:			
Other Funds		23,086.22	
Grant Fund		341,904.27	
Refund of Prior Year Revenue		500.00	
Police Special Duty Service		689,772.53	
Petty Cash		<u>1,050.00</u>	
			<u>158,819,632.90</u>
Balance December 31, 2019:			
Cash and Cash Equivalents	\$	24,706,601.17	
Investments		<u>16,602,747.27</u>	
			\$ <u>41,309,348.44</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-5

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Year	Balance	Collected		Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance
	Dec. 31, 2018	2018	2019				Dec. 31, 2019
2013	\$ 3,394.28	\$		\$	\$	\$	\$ 3,394.28
2014	9,969.36		107.02				9,862.34
2016	8,955.81						8,955.81
2017	8,906.26						8,906.26
2018	1,162,477.20	1,918.39	1,106,406.52	(3,500.00)		48,432.74	9,219.55
	1,193,702.91	1,918.39	1,106,513.54	(3,500.00)		48,432.74	40,338.24
2019		871,859.21	141,806,321.63	196,806.17	23,270.37	78,834.49	1,318,155.20
		\$ 873,777.60	\$ 142,912,835.17	\$ 193,306.17	\$ 23,270.37	\$ 127,267.23	\$ 1,358,493.44
							<b>x</b>

Levy	\$ 1,193,702.91
Delinquent Penalty	\$ 144,295,247.07
	\$ 144,253,559.77
	41,687.30
	\$ 144,295,247.07

Overpayments Applied	\$ 1,918.39
Prepaid Taxes	871,859.21
	\$ 873,777.60

**Analysis of 2019 Property Tax Levy**

Tax Yield:	
General Purpose Tax	\$ 141,012,530.73
Special District Taxes	2,558,784.32
Added and Omitted Taxes	682,244.72
	\$ 144,253,559.77

Tax Levy:	
Regional School Tax (Abstract)	\$ 27,497,087.00
Local School District Tax (Abstract)	70,760,205.00
County Tax (Abstract)	
County Library Tax (Abstract)	\$ 15,859,750.61
County Open Space Tax (Abstract)	1,134,551.39
Due County for Added and Omitted Taxes	1,831,028.67
Total County Taxes	89,986.07
Special District Taxes	
Local Open Space Tax	18,915,316.74
Local Tax for Municipal Purposes	2,530,322.00
Add: Additional Tax Levied	1,977,735.27
	21,900,600.67
	672,293.09
	22,572,893.76
	\$ 144,253,559.77

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-6**

**SCHEDULE OF TAX TITLE LIENS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 373,555.47
Increased by:	
Transfers from Taxes Receivable	<u>23,270.37</u>
	396,825.84
Decreased by:	
Collections	<u>3,885.03</u>
Balance December 31, 2019	<u>\$ 392,940.81</u>



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-7

Sheet 1 of 2

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Accrued in</u> <u>2019</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Licenses	\$			\$
Alcoholic Beverages		45,188.00	45,188.00	
Other		53,305.00	53,305.00	
Fees and Permits		333,058.67	333,058.67	
Uniform Construction Code Fees		1,360,664.90	1,360,664.90	
Municipal Court				
Fines and Costs	80,826.71	971,115.45	961,706.45	90,235.71
State Aid				
Energy Receipts Tax		7,418,109.00	7,418,109.00	
Garden State Trust		18,206.00	18,206.00	
Other				
Cable Television Franchise Fees		332,755.00	332,755.00	
Fund Balance - General Capital Fund		195,234.00	195,234.00	
Hotel/Motel Tax		149,909.78	149,909.78	
Interest on Investments and Deposits		639,604.93	639,604.93	
Shared Services Agreements:				
Automotive Services		59,599.67	59,599.67	
Board of Health		312,344.00	312,344.00	
Board of Health - Lead Inspector		3,958.77	3,958.77	
Board of Health - Monmouth Regional HICMC		4,576.00	4,576.00	
Board of Health - Visiting Nurse		22,873.60	22,873.60	
Diesel Fuel		213,209.63	213,209.63	
Information Technology		187,996.80	187,996.80	
Licensed Operator		150,455.62	150,455.62	
Municipal Court		36,178.10	36,178.10	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-7

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Sheet 2 of 2

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance</u> Dec. 31, 2018	<u>Accrued in</u> 2019	<u>Collected</u>	<u>Balance</u> Dec. 31, 2019
Other (Continued)				
Shared Services Agreements (Continued):				
Police Services - School Security	\$	109,441.16	\$ 109,441.16	\$
Police Services - SRO		17,816.73	17,816.73	
Western Monmouth Active Shooter		9,570.00	9,570.00	
Payments in Lieu of Taxes		103,875.18	103,875.18	
Reserve for Detention Basin		100,000.00	100,000.00	
Reserve for Municipal Alliance		10,252.50	10,252.50	
Uniform Fire Safety Act		113,668.80	113,668.80	
Verizon Franchise Fees		221,671.03	221,671.03	
	<u>\$ 80,826.71</u>	<u>\$ 13,194,638.32</u>	<u>\$ 13,185,229.32</u>	<u>\$ 90,235.71</u>
Receipts			\$ 13,172,791.32	
Prepaid Applied			<u>12,438.00</u>	
			<u>\$ 13,185,229.32</u>	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 1 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2018</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
<b><u>APPROPRIATIONS WITHIN CAPS</u></b>					
Administrative and Executive					
Salaries and Wages	\$ 324.35	\$	\$ 324.35	\$	\$ 324.35
Other Expenses	7,232.19	512.00	7,744.19	502.00	7,242.19
Public Information Office					
Salaries and Wages	23,561.50		23,561.50		23,561.50
Other Expenses	3,857.98		3,857.98		3,857.98
Purchasing Department					
Salaries and Wages	377.03		377.03		377.03
Other Expenses	3,990.63	1,606.02	5,596.65	1,615.73	3,980.92
Human Resources					
Salaries and Wages	23,035.31		23,035.31		23,035.31
Other Expenses	9,154.10	68.00	9,222.10	2,120.00	7,102.10
Mayor and Township Committee					
Salaries and Wages	133.60		133.60		133.60
Other Expenses	15,057.72	1,888.49	16,946.21	4,440.99	12,505.22
Municipal Clerk					
Salaries and Wages	6,913.00		6,913.00		6,913.00
Other Expenses	8,638.31	389.70	9,028.01	2,659.97	6,368.04
Elections					
Salaries and Wages	937.74		937.74		937.74
Other Expenses	2,321.88	3,100.00	5,421.88	3,100.00	2,321.88
Financial Administration					
Salaries and Wages	6,335.36		6,335.36		6,335.36
Other Expenses	13,674.91	1,101.37	14,776.28	1,784.19	12,992.09
Audit	58.75		58.75		58.75

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 2 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Balance Dec. 31, 2018</b>	<b>Reserve for Encumbrances</b>	<b>Balance After Transfers</b>	<b>Paid or Charged</b>	<b>Balance Lapsed</b>
Information Technology					
Salaries and Wages	\$ 50,195.64	\$	\$ 50,195.64	\$	\$ 50,195.64
Other Expenses	2,085.25	7,335.96	9,421.21	7,337.11	2,084.10
Revenue Administration (Collection of Taxes)					
Salaries and Wages	794.49		794.49		794.49
Other Expenses	6,804.24		6,804.24	100.53	6,703.71
Assessment of Taxes					
Salaries and Wages	66.36		66.36		66.36
Other Expenses	75,795.70	55,628.47	131,424.17	16,328.07	115,096.10
Cost of Tax Appeals	100,000.00		100,000.00	17,239.32	82,760.68
Legal Services and Costs					
Other Expenses	119,596.84	510.65	115,107.49	19,443.36	95,664.13
Affordable Housing Services and Costs					
Other Expenses	24,828.84	8,538.88	33,367.72	21,786.39	11,581.33
Engineering Services and Costs					
Salaries and Wages	133,180.56		133,180.56	31,595.22	101,585.34
Other Expenses	7,643.40	4,622.57	12,265.97	8,822.99	3,442.98
Historical Preservation					
Other Expenses	2,287.68		2,287.68		2,287.68
Municipal Land Use Law Planning Board					
Salaries and Wages	68.81		68.81		68.81
Other Expenses	3,468.33	58.10	8,526.43	6,701.85	1,824.58
Insurance					
Group Insurance	259,742.80	631,051.72	890,794.52	885,787.90	5,006.62
Other Insurance	1,744.63		1,744.63		1,744.63
Workmen's Compensation	28.20		28.20		28.20

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 3 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Code Enforcement					
Salaries and Wages	\$ 8,169.82	\$	\$ 8,169.82	\$	\$ 8,169.82
Other Expenses	3,238.17	617.00	3,855.17	617.00	3,238.17
Police					
Salaries and Wages	523,543.05		523,543.05	(28,554.80)	552,097.85
Other Expenses	18,013.98	65,679.93	83,693.91	78,115.17	5,578.74
Office of Emergency Management					
Salaries and Wages	494.43		494.43		494.43
Other Expenses	500.00		500.00		500.00
Condominium Services Act					
Contribution	77.11	2,620.89	2,698.00	2,620.89	77.11
Bureau of Fire Protection					
Salaries and Wages	3,059.51		3,059.51		3,059.51
Other Expenses	3,927.00	88.00	4,015.00	100.00	3,915.00
Uniform Fire Safety Act					
Salaries and Wages	3,417.78		3,417.78		3,417.78
Other Expenses	1,500.00		1,500.00		1,500.00
Municipal Prosecutor					
Other Expenses	1,648.00	5,896.00	7,544.00	5,896.00	1,648.00
Road Repair and Maintenance					
Salaries and Wages	65,044.94		65,044.94		65,044.94
Other Expenses	56,545.76	52,707.29	109,253.05	9,806.38	99,446.67
Snow Removal					
Other Expenses	126.52	17,505.66	17,632.18	16,147.63	1,484.55
Shade Tree Commission					
Salaries and Wages	32,514.95		32,514.95		32,514.95
Other Expenses	12,099.82	900.68	13,000.50	900.68	12,099.82

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 4 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance</u>		<u>Reserve for</u>		<u>Balance</u>		<u>Paid or</u>		<u>Balance</u>
	<u>Dec. 31, 2018</u>	\$	<u>Encumbrances</u>	\$	<u>After</u>	\$	<u>Charged</u>	\$	<u>Lapsed</u>
					<u>Transfers</u>				
Recycling	\$ 29,022.61			\$ 29,022.61		\$		\$ 29,022.61	
Salaries and Wages	13,106.17		44,126.25		57,232.42		34,249.50		22,982.92
Other Expenses									
Public Building and Grounds									
Salaries and Wages	8,952.01				8,952.01			8,952.01	
Other Expenses	29,361.19		46,349.87		75,711.06		46,346.46		29,364.60
Equipment Maintenance and Repair									
Salaries and Wages	20,356.01				20,356.01			20,356.01	
Other Expenses	17,995.72		92,771.50		110,767.22		62,581.48		48,185.74
Condominium Services Act									
Other Expenses	13,769.72				13,769.72			13,769.72	
Board of Health									
Salaries and Wages	18,920.94				18,920.94			18,920.94	
Other Expenses	6,759.00		10,903.75		17,662.75		16,563.74		1,099.01
Animal Control									
Other Expenses			32,725.00		32,725.00		32,725.00		
Environmental Commission									
Other Expenses	400.00				400.00			400.00	
Board of Recreation Commissioners									
Salaries and Wages	9,428.91				9,428.91			9,428.91	
Other Expenses	129.61		28,069.15		28,198.76		27,057.49		1,141.27
Senior Center									
Salaries and Wages	15,158.75				15,158.75			15,158.75	
Other Expenses	110.45		4,388.87		4,499.32		4,491.56		7.76
Municipal Court									
Salaries and Wages	19,194.39				19,194.39			19,194.39	
Other Expenses	1,471.51		1,843.41		3,314.92		2,252.05		1,062.87

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 5 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance Dec. 31, 2018</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
State Uniform Construction Code Official	\$ 33,182.86	\$	\$ 33,182.86		\$ 33,182.86
Salaries and Wages	6,686.01	345.36	7,031.37	389.31	6,642.06
Other Expenses					
Utilities:					
Electricity	77,056.74		77,056.74	15,626.31	61,430.43
Street Lighting	87,504.32		87,504.32	21,760.23	65,744.09
Telephone	3,482.83	2,887.64	6,370.47	4,244.72	2,125.75
Natural Gas	28,033.74	304.50	28,338.24	11,233.96	17,104.28
Water and Sewer	23,672.87		23,672.87	121.19	23,551.68
Fuel Oil and Gasoline	45,166.03	82,794.62	127,960.65	78,264.80	49,695.85
Contingent	1.00		1.00		1.00
Contribution to:					
Public Employees Retirement System	2,223.92		2,223.92		2,223.92
Social Security System	90,017.13		90,017.13	112.93	89,904.20
Unemployment Compensation Insurance	1,000.00		1,000.00		1,000.00
Defined Contribution Retirement Program	296.18	388.80	684.98	419.52	265.46
Total Appropriations within Caps	<u>2,250,317.59</u>	<u>1,210,326.10</u>	<u>3,460,643.69</u>	<u>1,475,454.82</u>	<u>1,985,188.87</u>
<b>APPROPRIATIONS OUTSIDE CAPS</b>					
Length of Service Awards Program (LOSAP)	25,000.00		25,000.00	25,000.00	500.00
Local Matching Fund for Grants	500.00		500.00		
Shared Services Agreements					
Board of Health					
Salaries and Wages	33,145.18		33,145.18		33,145.18
Other Expenses	13,601.38		13,601.38	6,882.00	6,719.38
Road Repairs and Maintenance					
Fuel Oil					
Other Expenses	4,425.15		4,425.15		4,425.15

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 6 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance</u> <u>Dec. 31, 2018</u>	\$	<u>Reserve for</u> <u>Encumbrances</u>	\$	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Shared Services Agreements (Continued)							
Equipment Maintenance	\$ 11,802.70			\$ 11,802.70			\$ 11,802.70
Other Expenses							
Police Special Services	2,247.50			2,247.50			2,247.50
Salaries and Wages							
Information Technology							
Salaries and Wages	5.24			5.24			5.24
Bay Head Borough	32.98			32.98			32.98
Freehold Borough	13.11			13.11			13.11
Keyport Borough	27.35			27.35			27.35
Manalapan Township							
Manasquan River Regional Sewerage Authority	338.28			338.28			338.28
Dispatch Services							
County of Monmouth	14.79			14.79			14.79
Other Expenses							
Operational Services							
Salaries and Wages							
Aberdeen Township	6.60			6.60			6.60
Freehold Regional	368.60			368.60			368.60
Howell Township	2,372.93			2,372.93			2,372.93
Keyport Borough	153.84			153.84			153.84
Manasquan River Regional Sewerage Authority	59.63			59.63			59.63
Construction Code							
Other Expenses	1,280.00		14,430.00		15,710.00	14,430.00	1,280.00
Freehold Borough							



TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 7 of 7

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Balance Dec. 31, 2018</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Shared Services Agreements (Continued)					
Municipal Court					
Salaries and Wages	\$ 9,838.51	\$	\$ 9,838.51		\$ 9,838.51
Township of Marlboro					
Board of Health - Emergency Preparedness					
Monmouth Regional HICMC					
Salaries and Wages	29.70		29.70		29.70
Other Expenses	1,510.39		1,510.39		1,510.39
VNA Health Group					
Salaries and Wages	707.10		707.10		707.10
Other Expenses	1,382.43		1,382.43		1,382.43
Total Appropriations outside Caps	<u>108,863.39</u>	<u>14,430.00</u>	<u>123,293.39</u>	<u>46,312.00</u>	<u>76,981.39</u>
Total General Appropriations	\$ <u>2,359,180.98</u>	\$ <u>1,224,756.10</u>	\$ <u>3,583,937.08</u>	\$ <u>1,521,766.82</u>	\$ <u>2,062,170.26</u>
Disbursed				\$ 1,496,766.82	
Accounts Payable				<u>25,000.00</u>	
				\$ <u>1,521,766.82</u>	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-9**

**SCHEDULE OF COUNTY TAXES PAYABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	76,846.47
2019 Tax Levy:			
County Tax	\$	15,859,750.61	
County Library Tax		1,134,551.39	
County Open Space Tax		1,831,028.67	
County Share of Added and Omitted Taxes		<u>89,986.07</u>	
			<u>18,915,316.74</u>
			<u>18,992,163.21</u>
Decreased by:			
Disbursements			<u>18,902,177.14</u>
Balance December 31, 2019		\$	<u><u>89,986.07</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-10**

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018:			
School Tax Payable	\$	9,329,787.54	
School Tax Deferred		<u>25,566,589.00</u>	
	\$		34,896,376.54
Increased by:			
Levy - School Year July 1, 2019 to June 30, 2020			<u>70,760,205.00</u>
			105,656,581.54
Decreased by:			
Disbursements			<u>70,044,123.00</u>
Balance December 31, 2019:			
School Tax Payable		10,045,869.54	
School Tax Deferred		<u>25,566,589.00</u>	
	\$		<u>35,612,458.54</u>
2019 Liability for Local District School Tax:			
Tax Paid	\$		70,044,123.00
Tax Payable December 31, 2019			<u>10,045,869.54</u>
			80,089,992.54
Less: Tax Payable December 31, 2018			<u>9,329,787.54</u>
Amount Charged to 2019 Operations	\$		<u>70,760,205.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-11**

**SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX PAYABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018:	
School Tax Payable	\$ 13,537,589.40
Increased by:	
Levy - School Year July 1 2019 to June 30, 2020	27,497,087.00
	<u>41,034,676.40</u>
Decreased by:	
Disbursements	<u>27,705,057.00</u>
Balance December 31, 2019:	
School Tax Payable	\$ <u>13,329,619.40</u>
2019 Liability for Local District School Tax:	
Tax Paid	\$ 28,435,474.00
Tax Payable December 31, 2019	<u>13,329,619.40</u>
	<u>41,765,093.40</u>
Less: Tax Payable December 31, 2018	<u>13,537,589.40</u>
Amount Charged to 2019 Operations	\$ <u>28,227,504.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-12

SCHEDULE OF INTERFUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Total</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2018 - Due From/(To)	\$ 452,734.20	\$ 14,133.03	\$ 461,687.39	\$ (23,086.22)
Increased by:				
Disbursements	23,086.22			23,086.22
Statutory Excess of Animal Control Reserve	7,432.73	7,432.73		
Total Increases	<u>30,518.95</u>	<u>7,432.73</u>		<u>23,086.22</u>
Total Increases and Balances	<u>483,253.15</u>	<u>21,565.76</u>	<u>461,687.39</u>	
Decreased by:				
Receipts	<u>127,897.75</u>	<u>14,133.03</u>	<u>112,274.58</u>	<u>1,490.14</u>
Balance December 31, 2019 - Due From/(To)	\$ 355,355.40	\$ 7,432.73	\$ 349,412.81	\$ (1,490.14)

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GRANT FUND**

**Exhibit A-13**

**SCHEDULE OF INTERFUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018 - Due To			\$ 400,253.15
Increased by:			
Deposited in Current Fund:			
Grants Receivable	\$ 337,179.96		
Unappropriated Reserves	<u>92,241.83</u>		
		\$ 429,421.79	
Cancelled Grants Receivable		8,637.10	
2019 Budget Appropriations		<u>383,660.89</u>	
			<u>821,719.78</u>
			<u>1,221,972.93</u>
Decreased by:			
Cancelled Appropriated Reserves		10,473.81	
2019 Anticipated Revenue		343,408.39	
Disbursed in Current Fund		<u>341,904.27</u>	
			<u>695,786.47</u>
Balance December 31, 2019 - Due To			\$ <u><u>526,186.46</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-14

**SCHEDULE OF GRANTS RECEIVABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Grant</u>	<u>Balance Dec. 31, 2018</u>	<u>2019 Anticipated Revenue</u>	<u>2019 Anticipated Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2019</u>
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse	\$ 34,599.64	\$ 41,010.00	\$ 44,073.66	\$	\$ 31,535.98
Body Armor Fund		6,596.91	6,596.91		
Childhood Lead Exposure	26,170.00	25,704.00	26,170.00		25,704.00
Clean Communities Program		83,927.46	83,927.46		
Drunk Driving Enforcement Fund		7,040.67	7,040.67		
Family Health Initiatives		10,000.00	10,000.00		
Radon Awareness Program		2,000.00	2,000.00		
Recycling Tonnage Grant		91,879.35	91,879.35		
Safe and Secure Communities Program		60,000.00	60,000.00		
Safe Corridors				2.10	
Federal Grants:					
Bulletproof Vests	1,576.85	4,250.00	3,347.58		2,479.27
Click It or Ticket	1,320.00	5,500.00	2,585.00	4,235.00	
Distracted Driving		5,500.00	3,960.00	1,540.00	
Drive Sober or Get Pulled Over	5,500.00		2,640.00	2,860.00	
	<u>\$ 69,168.59</u>	<u>\$ 343,408.39</u>	<u>\$ 344,220.63</u>	<u>\$ 8,637.10</u>	<u>\$ 59,719.25</u>
Interfund - Current Fund			\$ 337,179.96		
Unappropriated Grants			<u>7,040.67</u>		
			<u>\$ 344,220.63</u>		

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-15

SCHEDULE OF APPROPRIATED RESERVES

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Grant</u>	<u>Balance</u> Dec. 31, 2018	<u>Reserve for</u> <u>Encumbrances</u>	<u>Transferred</u> <u>from</u> <u>2019 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> Dec. 31, 2019
State Grants:						
Alcohol Education and Rehabilitation						
2012 Grant Award	\$ 161.89	\$	\$	\$	\$	\$ 161.89
Alliance to Prevent Alcoholism and Drug Abuse						
2018-19 Grant Award	25,957.37	923.50	51,262.50	26,880.87		23,608.52
2019-20 Grant Award				27,653.98		
Body Armor Replacement						
2018 Grant Award			6,596.91	2,643.70		3,953.21
Childhood Lead Exposure						
2018-19 Grant Award	19,083.65	962.00	25,704.00	20,045.65		16,307.55
2019-20 Grant Award				9,396.45		
Clean Communities Program						
2014 Grant Award		4,731.45		4,731.45		
2015 Grant Award		2,220.72		2,220.72		
2016 Grant Award	4,742.17	8,256.83		12,999.00		
2017 Grant Award	52,502.72			52,502.72		
2018 Grant Award	75,306.35			54,627.48		20,678.87
2019 Grant Award			83,927.46	6,095.75		77,831.71
Drunk Driving Enforcement Fund						
2018 Grant Award	5,365.30			4,431.56		933.74
2019 Grant Award			7,040.67			7,040.67
Family Health Initiatives						
2018 Grant Award	10,000.00			10,000.00		
2019 Grant Award			10,000.00	10,000.00		
Green Communities Grant						
2015 Grant Award	1,800.00				1,800.00	
Radon Awareness Program						
2019 Grant Award			2,000.00	2,000.00		
Recycling Tonnage Grant						
2016 Grant Award	30,498.21	3,794.58		34,263.90		28.89
2017 Grant Award	102,628.94			5,158.10		97,470.84
2018 Grant Award	106,113.93			6,154.95		99,958.98
2019 Grant Award			91,879.35			91,879.35



TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-15

SCHEDULE OF APPROPRIATED RESERVES

Sheet 2 of 2

GRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Grant</u> <u>Balance</u> <u>Dec. 31, 2018</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Transferred</u> <u>from</u> <u>2019 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
State Grants (Continued):						
Safe and Secure Communities Program						
2018 Grant Award	\$ 36.71	\$	\$ 90,000.00	\$ 90,000.00	\$ 36.71	\$
2019 Grant Award						
Safe Corridors						
2017 Grant Award	2.10				2.10	
Federal Grants:						
Bulletproof Vests						
2018 Grant Award		1,238.29		1,238.29		
2019 Grant Award			4,250.00	4,250.00		
Click It or Ticket						
2018 Grant Award	1,320.00			1,320.00		
2019 Grant Award			5,500.00	2,585.00	2,915.00	
Distracted Driving						
2018 Grant Award			5,500.00	3,960.00	1,540.00	
2019 Grant Award				1,320.00	2,860.00	
Drive Sober or Get Pulled Over						
2018 Grant Award	4,180.00					
Other Grants:						
NJ ACCHO Mini Grant	554.36			554.36		
2017 Grant Award						
	<u>\$ 440,253.70</u>	<u>\$ 22,127.37</u>	<u>\$ 383,660.89</u>	<u>\$ 395,713.93</u>	<u>\$ 10,473.81</u>	<u>\$ 439,854.22</u>
Interfund - Current Fund				\$ 341,904.27		
Reserve for Encumbrances				<u>53,809.66</u>		
				<u>\$ 395,713.93</u>		

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-16

SCHEDULE OF UNAPPROPRIATED RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Grant</u>	<u>Balance Dec. 31, 2018</u>	<u>Received</u>	<u>Realized as Anticipated Revenue</u>	<u>Balance Dec. 31, 2019</u>
State Grants:				
Drunk Driving Enforcement Fund	\$ 7,040.67	\$ 7,967.40	\$ 7,040.67	\$ 7,967.40
Recycling Tonnage Grant		84,274.43		84,274.43
	<u>\$ 7,040.67</u>	<u>\$ 92,241.83</u>	<u>\$ 7,040.67</u>	<u>\$ 92,241.83</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**TRUST FUND**

**Exhibit B-1**

**SCHEDULE OF CASH - TREASURER**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2018	\$ 78,741.68	\$ 14,152,360.41
Increased by Receipts:		
Due to State of New Jersey	\$ 3,178.80	\$
Licenses and Other Fees	14,237.31	
Prepaid Licenses	9,016.00	
Interfunds		6,259,272.13
Miscellaneous Reserves		<u>5,795,513.12</u>
	<u>26,432.11</u>	12,054,785.25
	<u>105,173.79</u>	<u>26,207,145.66</u>
Decreased by Disbursements:		
Due to State of New Jersey	3,176.40	
Animal Control Trust Fund Expenditures	13,819.70	
Interfunds	14,133.03	6,371,546.71
Miscellaneous Reserves		<u>5,846,653.07</u>
	<u>31,129.13</u>	12,218,199.78
Balance December 31, 2019	\$ <u>74,044.66</u>	\$ <u>13,988,945.88</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-2**

**SCHEDULE OF DUE TO STATE OF NEW JERSEY**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Increased by:		
Fees Collected		\$ 3,178.80
Decreased by:		
Payments to State of New Jersey		<u>3,176.40</u>
Balance December 31, 2019		\$ <u><u>2.40</u></u>

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**TRUST FUND EXPENDITURES**

**Exhibit B-3**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018			\$ 51,437.45
Increased by:			
2019 License and Other Fees Collected	\$ 14,237.31		
Prepaid Licenses Applied	<u>8,927.80</u>		
			<u>23,165.11</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11	13,819.70		
Statutory Excess Due Current Fund	<u>7,432.73</u>		
			<u>21,252.43</u>
Balance December 31, 2019			\$ <u><u>53,350.13</u></u>

**Dog License Fees Collected**

<u>Year</u>	<u>Amount</u>
2017	\$ <u>27,682.25</u>
2018	<u>25,667.88</u>
	\$ <u><u>53,350.13</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-4**

**SCHEDULE OF INTERFUND - CURRENT FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018 - Due To	\$ 14,133.03
Increased by:	
Statutory Excess	<u>7,432.73</u>
	21,565.76
Decreased by:	
Disbursed	<u>14,133.03</u>
Balance December 31, 2019 - Due To	\$ <u><u>7,432.73</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OTHER TRUST FUND**

**Exhibit B-5**

**SCHEDULE OF RESERVES AND SPECIAL DEPOSITS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Reserves</u>	<u>Balance Dec. 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2019</u>
Arboretum	\$ 31,117.48	\$ 1,587.00	\$ 17,196.62	\$ 15,507.86
Board of Recreation Commissioners	1,331,937.28	1,195,468.92	1,177,311.75	1,350,094.45
Construction Code Dedicated Penalties	88,241.07	2,206.98		90,448.05
Deposits for Redemption of Tax Sale Certificates	677,912.85	272,230.86	230,193.81	42,037.05
Detention Project	3,226,628.30		100,000.00	577,912.85
Escrow Deposits	806.46	1,007,849.43	1,925,098.01	2,309,379.72
Historical Preservation	875.00			806.46
Monument Bonds	857,853.90	118,540.42	19,163.74	875.00
Mount Laurel Housing Trust	32,716.20	67,561.00	48,986.21	957,230.58
Municipal Drug Alliance Fund	1,459,342.41	1,991,701.24	1,323,015.44	51,290.99
Open Space	701.17	1,188.00	349.99	2,128,028.21
Parking Offenses Adjudication Act	593,400.00	405,600.00	404,600.00	1,539.18
Premiums Received at Tax Sale	5,261.35	20,829.50	22,713.37	594,400.00
Public Defender	13,905.20	409.48		3,377.48
Public Safety Donation	7,502.00			14,314.68
Relocation	402,919.26			7,502.00
Road Projects	2,559,862.45	575,088.14		402,919.26
Self Insurance	89,839.98			3,134,950.59
Shade Tree Donations	219,945.57	69,246.00		89,839.98
Shade Tree Escrow	37,713.92	35,000.00	45,447.77	289,191.57
Sick Leave Trust	231,458.00		31,792.23	27,266.15
Sidewalks and Curbs	24,197.84	13,304.79		199,665.77
Special Law Enforcement Fund	1,644,056.55		462,069.11	37,502.63
Storm Recovery	33,234.77	14,000.00		1,181,987.44
Street Opening Bonds	111,714.81	3,646.11	17,000.00	30,234.77
Unemployment Trust	967.47	55.25		98,870.90
Uniform Fire Safety Act Penalty Monies 2:12	6,561.73		5,225.00	1,022.72
Uniform Fire Safety Act Penalty Monies 2:12A				1,336.73
	<u>\$ 13,690,673.02</u>	<u>\$ 5,795,513.12</u>	<u>\$ 5,846,653.07</u>	<u>\$ 13,639,533.07</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OTHER TRUST FUND**

**Exhibit B-6**

**SCHEDULE OF INTERFUND - CURRENT FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018 - Due To Current	\$ 461,687.39
Increased by:	
Receipts	<u>6,259,272.13</u>
	6,720,959.52
Decreased by:	
Disbursements	<u>6,371,546.71</u>
Balance December 31, 2019 - Due To Current	\$ <u><u>349,412.81</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH - TREASURER**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 9,275,425.05
Increased by Receipts:		
Premium on Sale of Bonds and Notes	\$ 204,233.00	
Interfunds	79,787.60	
Serial Bonds	9,060,000.00	
Bond Anticipation Notes	2,817,100.00	
Grants Receivable	94,124.56	
Budget Appropriations:		
Capital Improvement Fund	<u>400,000.00</u>	
		<u>12,655,245.16</u>
		<u>21,930,670.21</u>
Decreased by Disbursements:		
Capital Fund Balance to Current Fund	195,234.00	
Interfunds	58,191.52	
Bond Anticipation Notes	8,341,700.00	
Improvement Authorizations	<u>3,551,076.63</u>	
		<u>12,146,202.15</u>
Balance December 31, 2019		\$ <u><u>9,784,468.06</u></u>





**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO**

**FUTURE TAXATION - FUNDED**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 22,822,952.42
Increased by:		
Serial Bonds Issued		<u>9,060,000.00</u>
		31,882,952.42
Decreased by:		
2019 Budget Appropriations:		
Principal on Serial Bonds	\$ 2,910,000.00	
Green Trust Loan	<u>145,358.00</u>	
		<u>3,055,358.00</u>
Balance December 31, 2019		<u>\$ 28,827,594.42</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-5

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Ordinance Number	Improvement Description	Balance		2019 Authorizations	Serial Bonds Issued	Notes Paid by Budget Appropriations	Balance Dec. 31, 2019	Analysis of Balance Dec. 31, 2019		
		Dec. 31, 2018	\$					Bond Anticipation Notes	Unexpended Improvement Authorizations	\$
97-01	Renovations to Municipal Complex	\$ 215,000.00	\$	\$			\$ 215,000.00			\$ 215,000.00
97-11	Various Improvements	78,818.70					78,818.70			78,818.70
98-08	Various Improvements	1,610,755.00					1,610,755.00			1,610,755.00
99-09	Various Improvements	176,575.00					176,575.00			176,575.00
00-10	Various Improvements	1,104,000.00					1,104,000.00			1,104,000.00
01-13	Various Improvements	622,650.00					622,650.00			622,650.00
02-13	Various Improvements	1,224,150.00					1,224,150.00			1,224,150.00
03-09	Various Improvements	382,575.00					382,575.00			382,575.00
04-11	Various Improvements	475,730.00					475,730.00			475,730.00
05-19	Various Improvements	926,525.00					926,525.00			926,525.00
05-35	Various Improvements	485,000.00					485,000.00			485,000.00
06-21	Development of Park Lands	487,175.00			88,900.00	5,300.00	392,975.00			392,975.00
07-14, 08-29	Various Improvements	1,062,015.00			267,100.00	27,000.00	767,915.00			767,915.00
09-16	Various Improvements	1,270,800.00			233,800.00	9,000.00	1,028,000.00			1,028,000.00
10-21	Various Improvements	1,193,000.00					1,193,000.00			1,193,000.00
11-20	Various Improvements	950,000.00					950,000.00			950,000.00
12-12	Various Improvements	1,026,555.00					1,026,555.00			1,026,555.00
14-05	Various Improvements	2,740,662.70					2,740,662.70			2,740,662.70
15-10	Various Improvements	5,115,069.30					5,115,069.30			5,115,069.30
16-12	Various Improvements	6,868,000.00			3,446,000.00	81,100.00	3,340,900.00	1,380,000.00		1,960,900.00
17-06	Various Improvements	6,473,000.00			2,544,200.00		3,928,800.00			3,928,800.00
18-07	Various Improvements	5,184,000.00			2,270,000.00		2,914,000.00			934,000.00
19-10	Various Improvements			7,682,500.00	210,000.00		7,472,500.00	1,840,000.00		5,632,500.00
		\$ 39,672,055.70	\$	\$ 7,682,500.00	\$ 9,060,000.00	\$ 122,400.00	\$ 38,172,155.70	\$ 5,200,000.00		\$ 32,972,155.70

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-5**

**SCHEDULE OF DEFERRED CHARGES TO**

**Sheet 2 of 2**

**FUTURE TAXATION - UNFUNDED**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Analysis of  
Balance  
Dec. 31, 2019  
Unexpended  
Improvement  
Authorizations**  
\$ 37,904,570.32

Improvement Authorizations Unfunded  
Less: Unexpended Proceeds of Bond Anticipation Notes:

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>		
16-12	Various Improvements	\$ 1,112,414.62	
18-07	Various Improvements	1,980,000.00	
19-10	Various Improvements	<u>1,840,000.00</u>	
			<u>4,932,414.62</u>
			<u>\$ 32,972,155.70</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-6

**SCHEDULE OF GENERAL SERIAL BONDS**

Sheet 1 of 2

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2018	Issued	Decreases	Balance Dec. 31, 2019	
			Outstanding Date	Amount						
Open Space Refunding Bonds	12/16/2009	\$ 475,000	9/15/2020	\$ 45,000	3.000%	\$	\$	\$	85,000.00	
Open Space Refunding Bonds	10/01/2012	630,000	9/15/2021	40,000	4.000%	125,000.00		40,000.00		
			10/01/2020	60,000	3.000%					
			10/1/2021-22	60,000	3.500%					
General Obligation Bonds	12/01/2013	5,640,000	10/1/2023-24	65,000	3.500%	370,000.00		60,000.00		
			12/01/2020	425,000	3.000%					
			12/01/2021	440,000	3.000%					
			12/01/2022	450,000	3.000%					
			12/01/2023	465,000	3.000%					
			12/01/2024	480,000	3.000%					
General Obligation Refunding Bonds	9/10/2015	1,970,000	12/01/2025	495,000	3.000%	3,690,000.00		420,000.00		
			12/01/2026	515,000	3.250%					
			7/15/2020	495,000	4.000%					
			7/15/2021	490,000	4.000%	1,475,000.00		490,000.00		985,000.00
			7/15/2020-21	320,000	4.000%					
			7/15/2022	285,000	3.000%	1,245,000.00		320,000.00		925,000.00
General Obligation Bonds	12/11/2015	8,258,000	11/01/2020	665,000	4.000%					
			11/01/2021	680,000	2.000%					
			11/01/2022	690,000	2.000%					
			11/01/2023	705,000	2.000%					
			11/01/2024	725,000	2.000%					
			11/01/2025	740,000	2.125%					
General Obligation Refunding Bonds*	3/24/2016	2,345,000	11/01/2026	765,000	2.250%	6,410,000.00		655,000.00		
			11/01/2027	785,000	2.375%					
			12/01/2020	440,000	5.000%					
			12/01/2021	465,000	5.000%					
			12/01/2022	485,000	5.000%					
			12/01/2023	510,000	5.000%	2,325,000.00		425,000.00		1,900,000.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-6

**SCHEDULE OF GENERAL SERIAL BONDS**

Sheet 2 of 2

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b><u>Improvement Description</u></b>	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities of Bonds</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2018</u></b>	<b><u>Issued</u></b>	<b><u>Decreases</u></b>	<b><u>Balance Dec. 31, 2019</u></b>
			<b><u>Outstanding Date</u></b>	<b><u>Amount</u></b>					
General Obligation Bonds	11/08/2017	\$ 6,910,000	9/15/2020	500,000	2.000%				
			9/15/2021	500,000	3.000%				
			9/15/2022	680,000	3.000%				
			9/15/2023	690,000	3.000%				
			9/15/2024	705,000	2.000%				
			9/15/2025	720,000	2.000%				
			9/15/2026	740,000	2.125%				
			9/15/2027	750,000	2.250%				
			9/15/2028	750,000	2.375%	\$ 6,535,000.00	\$ 500,000.00	\$ 6,035,000.00	
General Obligation Bonds	11/04/19	9,060,000	10/15/2020	435,000	1.500%				
			10/15/2021	435,000	1.000%				
			10/15/2022	750,000	2.000%				
			10/15/2023	765,000	2.000%				
			10/15/2024	780,000	2.000%				
			10/15/2025	800,000	3.000%				
			10/15/2026	815,000	4.000%				
			10/15/2027	830,000	4.000%				
			10/15/2028	845,000	4.000%				
			10/15/2029	865,000	1.000%				
			10/15/2030-31	870,000	1.000%		9,060,000.00		9,060,000.00
						\$ 22,175,000.00	\$ 9,060,000.00	\$ 2,910,000.00	\$ 28,325,000.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-7

**SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE**

Sheet 1 of 2

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b><u>Improvement Description</u></b>	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities of Loan Outstanding Dec. 31, 2019</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2018</u></b>	<b><u>Paid by Budget Appropriation</u></b>	<b><u>Balance Dec. 31, 2019</u></b>
			<b><u>Date</u></b>	<b><u>Amount</u></b>				
Open Space Acquisition	November 2000	2,250,000.00	See Amortization Statement		2.00%	\$ 73,992.28	\$ 73,992.28	\$
Opatut Park Development	October 2005	400,000.00	See Amortization Statement		2.00%	150,902.93	21,964.50	128,938.43
Opatut Park Development	September 2007	600,000.00	See Amortization Statement		2.00%	270,102.72	33,727.38	236,375.34
Opatut Park Development	March 2008	300,000.00	See Amortization Statement		2.00%	152,954.49	15,673.84	137,280.65
						<b><u>\$ 647,952.42</u></b>	<b><u>\$ 145,358.00</u></b>	<b><u>\$ 502,594.42</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-7**

**SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE**

**Sheet 2 of 2**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
February 2020	\$ 17,117.08	\$ 2,363.75
April 2020	11,147.25	1,289.39
May 2020	7,954.67	1,372.81
August 2020	17,288.25	2,192.58
October 2020	11,258.73	1,177.91
November 2020	8,034.22	1,293.26
February 2021	17,461.13	2,019.70
April 2021	11,371.32	1,065.32
May 2021	8,114.56	1,212.92
August 2021	17,635.74	1,845.09
October 2021	11,485.03	951.61
November 2021	8,195.71	1,131.77
February 2022	17,812.10	1,668.73
April 2022	11,599.88	836.76
May 2022	8,277.66	1,049.81
August 2022	17,990.22	1,490.61
October 2022	11,715.88	720.76
November 2022	8,360.44	967.04
February 2023	18,170.12	1,310.71
April 2023	11,833.04	603.60
May 2023	8,444.04	883.43
August 2023	18,351.82	1,129.01
October 2023	11,951.37	485.27
November 2023	8,528.49	798.99
February 2024	18,535.34	945.49
April 2024	12,070.88	365.76
May 2024	8,613.77	713.71
August 2024	18,720.69	760.14
October 2024	12,191.59	245.05
November 2024	8,699.91	627.57
February 2025	18,907.90	572.93
April 2025	12,313.46	123.14
May 2025	8,786.91	540.57
August 2025	19,096.98	383.85
November 2025	8,874.78	452.70
February 2026	19,287.97	192.88
May 2026	8,963.52	363.95
November 2026	9,053.16	274.32
May 2027	9,143.69	183.79
November 2027	9,235.12	92.35
	<u>\$ 502,594.42</u>	<u>\$ 36,699.03</u>



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

Exhibit C-8

**GENERAL CAPITAL FUND**

**SCHEDULE OF BOND ANTICIPATION NOTES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Ordinance Number	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Issued for Cash	Decreased by		Balance Dec. 31, 2019
							Budget Appropriations	Serial Bonds Issued	
06-21	Various Improvements	12/11/2015			\$ 67,000.00	\$	\$ 5,300.00	\$ 61,700.00	\$
06-21	Various Improvements	11/06/2018			27,200.00			27,200.00	
07-14, 08-29	Various Improvements	12/21/2010			294,100.00		27,000.00	267,100.00	
09-16	Various Improvements	12/17/2013			172,800.00		9,000.00	163,800.00	
09-16	Various Improvements	11/06/2018			70,000.00			70,000.00	
16-12	Various Improvements	11/18/2016	11/03/2020	1.75%	3,400,000.00		81,100.00	2,966,000.00	352,900.00
16-12	Various Improvements	11/08/2017	11/03/2020	1.75%	900,000.00				900,000.00
16-12	Various Improvements	11/04/2019	11/03/2020	1.75%		127,100.00			127,100.00
17-06	Various Improvements	11/08/2017			2,515,900.00			2,515,900.00	
18-07	Various Improvements	11/06/2018	11/03/2020	1.75%	3,400,000.00			2,270,000.00	1,130,000.00
18-07	Various Improvements	11/04/2019	11/03/2020	1.75%		850,000.00			850,000.00
19-10	Various Improvements	11/04/2019	11/03/2020	1.75%		1,840,000.00			1,840,000.00
					<u>\$ 10,847,000.00</u>	<u>\$ 2,817,100.00</u>	<u>\$ 122,400.00</u>	<u>\$ 8,341,700.00</u>	<u>\$ 5,200,000.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**GENERAL CAPITAL FUND**

Exhibit C-9

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Ordinance Number	Improvement Description	Date	Ordinance Amount		Balance Dec. 31, 2018		2019 Authorizations		Portion of Ordinance Funded	Deferred Charges to Future Taxation - Unfunded	Expended	Grant Cancelled	Balance Dec. 31, 2019	
			Funded	Unfunded	Funded	Unfunded	Funded	Unfunded						
97-01	Renovations to Municipal Complex	2/25/1997	\$ 1,700,000.00	\$ 215,000.00	\$ 12,857.45	\$ 215,000.00			\$ 12,857.45	\$ 215,000.00			\$ 12,857.45	\$ 215,000.00
97-11	Various Improvements	5/27/1997	2,441,000.00	78,818.70	7,505.64	78,818.70			7,505.64	78,818.70			7,505.64	78,818.70
98-08	Various Improvements	4/21/1998	5,179,100.00	1,610,755.00	3,836.88	1,610,755.00			3,836.88	1,610,755.00			3,836.88	1,610,755.00
99-09	Various Improvements	4/27/1999	2,688,500.00	176,575.00	79.12	176,575.00			79.12	176,575.00			79.12	176,575.00
00-10	Various Improvements	4/18/2000	3,715,265.00	1,104,000.00	1,544.90	1,104,000.00			1,544.90	1,104,000.00			1,544.90	1,104,000.00
01-13	Various Improvements	4/24/2001	4,187,000.00	622,650.00	277.46	622,650.00			277.46	622,650.00			277.46	622,650.00
02-13	Various Improvements	4/23/2002	6,867,500.00	1,224,150.00	382,575.00	1,224,150.00			382,575.00	1,224,150.00			382,575.00	1,224,150.00
03-09	Various Improvements	4/22/2003	2,808,500.00	475,730.00	501.32	475,730.00			501.32	475,730.00			501.32	475,730.00
04-11	Various Improvements	4/27/2004	5,669,400.00	926,525.00	20,565.06	926,525.00			20,565.06	926,525.00			20,565.06	926,525.00
05-19	Various Improvements	7/26/2005	2,280,000.00	485,000.00	487.94	485,000.00			487.94	485,000.00			487.94	485,000.00
05-35	Development of Park Lands	11/29/2005	3,798,500.00	393,342.45	559.72	393,342.45			559.72	393,342.45			559.72	393,342.45
06-21	Various Improvements	5/23/2006	4,905,700.00											
07-14, 08-29	Various Improvements	6/26/2007	155,000.00	875,270.33		875,270.33								
		11/12/2008	3,821,000.00	1,245,011.24		1,245,011.24								
09-16	Various Improvements	5/26/2009	3,627,000.00	1,193,000.00	92,206.05	1,193,000.00			92,206.05	1,193,000.00			92,206.05	1,193,000.00
10-21	Various Improvements	8/31/2010	2,986,000.00	950,000.00	292,575.09	950,000.00			292,575.09	950,000.00			292,575.09	950,000.00
11-20	Various Improvements	8/23/2011	5,900,000.00	1,026,555.00	285,848.76	1,026,555.00			285,848.76	1,026,555.00			285,848.76	1,026,555.00
12-12	Various Improvements	6/26/2012	1,475,000.00		36,206.34				36,206.34				36,206.34	
12-19	Various Improvements	10/02/2012	8,450,000.00	2,740,662.70	594,195.38	2,740,662.70			594,195.38	2,740,662.70			594,195.38	2,740,662.70
14-05	Various Improvements	5/27/2014	10,284,311.00	5,115,069.30	495,525.01	5,115,069.30			495,525.01	5,115,069.30			495,525.01	5,115,069.30
15-10	Various Improvements	5/26/2015	7,466,000.00	4,436,209.71	236,208.75	4,436,209.71			236,208.75	4,436,209.71			236,208.75	4,436,209.71
16-12	Various Improvements	7/26/2016	6,800,000.00	5,184,000.00		5,184,000.00				5,184,000.00				5,184,000.00
17-06	Various Improvements	6/27/2017	5,793,000.00											
18-07	Various Improvements	6/25/2018	55,000.00											
19-05	Sidewalks at Opatut Park	3/26/2019	8,470,000.00											
19-10	Various Improvements	6/25/2019												
					\$ 2,309,327.50	\$ 33,958,761.41			\$ 842,500.00	\$ 7,682,500.00			\$ 42,012.34	\$ 3,295,429.62
									\$ 842,500.00	\$ 7,682,500.00			\$ 42,012.34	\$ 3,295,429.62
									\$ 402,000.00					
									440,500.00					
									\$ 842,500.00					

Grants Receivable  
Capital Improvement Fund

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-10**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 395,133.41
Increased by:	
2019 Budget Appropriations	<u>400,000.00</u>
	795,133.41
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>440,500.00</u>
Balance December 31, 2019	<u>\$ 354,633.41</u>

**SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS**

**Exhibit C-11**

Balance December 31, 2018 and 2019	<u>\$ 95,737.00</u>
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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2019

Year of Lease	Lease Principal	Maturities of Leases		Balance Dec. 31, 2018	Leases Issued	Paid by Budget Appropriation	Balance Dec. 31, 2019
		Outstanding Dec. 31, 2019	Amount				
2011	\$ 582,000.00	See Amortization Statement		\$ 73,000.00	\$	\$ 23,000.00	\$ 50,000.00
2013	844,200.00	See Amortization Statement		345,800.00		63,700.00	282,100.00
2015	1,065,000.00	See Amortization Statement		614,000.00		167,000.00	447,000.00
2017	1,312,000.00	See Amortization Statement		1,109,000.00		226,000.00	883,000.00
2019	1,109,410.00	See Amortization Statement			1,109,410.00		1,109,410.00
				\$ 2,141,800.00	\$ 1,109,410.00	\$ 479,700.00	\$ 2,771,510.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-12**

**SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT**

**Sheet 2 of 2**

**AUTHORITY LEASES PAYABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2020	\$ 639,030.00	\$ 126,995.00
2021	547,520.00	100,255.00
2022	547,070.00	73,855.00
2023	327,620.00	49,065.00
2024	264,380.00	34,400.00
2025	140,950.00	21,500.00
2026	86,290.00	14,820.00
2027	90,420.00	10,610.00
2028	62,550.00	6,190.00
2029	65,680.00	3,170.00
	<u>\$ 2,771,510.00</u>	<u>\$ 440,860.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-13**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2018</b>	<b>2019 Authorizations</b>	<b>Serial Bonds Issued</b>	<b>Notes Issued</b>	<b>Balance Dec. 31, 2019</b>
		\$	\$	\$	\$	\$
97-01	Renovations to Municipal Complex	215,000.00				215,000.00
97-11	Various Improvements	78,818.70				78,818.70
98-08	Various Improvements	1,610,755.00				1,610,755.00
99-09	Various Improvements	176,575.00				176,575.00
00-10	Various Improvements	1,104,000.00				1,104,000.00
01-13	Various Improvements	622,650.00				622,650.00
02-13	Various Improvements	1,224,150.00				1,224,150.00
03-09	Various Improvements	382,575.00				382,575.00
04-11	Various Improvements	475,730.00				475,730.00
05-19	Various Improvements	926,525.00				926,525.00
05-35	Development of Park Lands	485,000.00				485,000.00
06-21	Various Improvements	392,975.00				392,975.00
07-14, 08-29	Various Improvements	767,915.00				767,915.00
09-16	Various Improvements	1,028,000.00				1,028,000.00
10-21	Various Improvements	1,193,000.00				1,193,000.00
11-20	Various Improvements	950,000.00				950,000.00
12-12	Various Improvements	1,026,555.00				1,026,555.00
14-05	Various Improvements	2,740,662.70				2,740,662.70
15-10	Various Improvements	5,115,069.30			127,100.00	5,115,069.30
16-12	Various Improvements	2,568,000.00		480,000.00		1,960,900.00
17-06	Various Improvements	3,957,100.00		28,300.00		3,928,800.00
18-07	Various Improvements	1,784,000.00			850,000.00	934,000.00
19-10	Various Improvements		7,682,500.00	210,000.00	1,840,000.00	5,632,500.00
		<u>\$ 28,825,055.70</u>	<u>\$ 7,682,500.00</u>	<u>\$ 718,300.00</u>	<u>\$ 2,817,100.00</u>	<u>\$ 32,972,155.70</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

Exhibit D-5

**WATER-SEWER UTILITY OPERATING FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 1,645,000.00	\$ 1,645,000.00	\$ 1,558,222.73	\$ 86,777.27	\$
Other Expenses	10,669,350.00	10,668,740.00	9,708,108.23	960,631.77	
Capital Improvements					
Capital Improvement Fund	80,000.00	80,000.00	80,000.00		
Capital Outlay	330,000.00	330,000.00	296,936.53	33,063.47	
Debt Service					
Payment of Bond Principal	1,200,000.00	1,200,000.00	1,200,000.00		
Payment of Bond Anticipation Notes	56,900.00	56,900.00	56,900.00		
Interest on Bonds	207,176.00	207,786.00	207,785.99		.01
Interest on Notes	122,974.00	122,974.00	122,974.00		
M.C.I.A. - Principal	6,300.00	6,300.00	6,300.00		
M.C.I.A. - Interest	1,360.00	1,360.00	1,360.00		
Statutory Expenditures					
Contribution to:					
Public Employees' Retirement System	203,901.00	203,901.00	203,901.00		
Social Security System (O.A.S.I.)	128,000.00	128,000.00	120,640.17	7,359.83	
	<u>\$ 14,650,961.00</u>	<u>\$ 14,650,961.00</u>	<u>\$ 13,563,128.65</u>	<u>\$ 1,087,832.34</u>	<u>\$ .01</u>
	Ref.	D-4	D-3	D	D-3
Reserve for Encumbrances	D			\$ 291,199.61	
Disbursements	D-6			11,963,103.25	
Accrued Interest on Bonds and Notes	D-16			332,531.49	
				<u>\$ 12,586,834.35</u>	

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-6

SCHEDULE OF CASH AND INVESTMENTS- TREASURER

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2018:			
Cash and Cash Equivalents	\$ 3,504,686.86	\$ 383,642.18	\$ 4,579,815.27
Investments	<u>7,730,010.40</u>		<u>4,579,815.27</u>
	\$ 11,234,697.26	\$ 383,642.18	\$ 4,579,815.27
Increased by Receipts:			
Prepaid Water-Sewer Rents	25,123.77		
Interest on Deposits	189,764.35		
Water-Sewer Utility Capital Fund - Fund Balance	54,012.00		
Interest on Delinquent Accounts	46,475.86		
Fire Hydrant Service	208,989.30		
Water Connection Fees	103,359.29		
Sewer Connection Fees	62,190.62		
Miscellaneous Other	52,346.36		
Water Charges Receivable	4,022,095.85		
Sewer Charges Receivable	7,470,546.19		
Premium on Sale of Bonds and Notes			52,343.00
Connections Receivable			3,096.00
Interfunds		3,456.21	503,143.71
Budget Appropriations:			
Capital Improvement Fund			80,000.00
Serial Bonds			2,174,000.00
Bond Anticipation Notes			876,000.00
	<u>12,234,903.59</u>		<u>3,688,582.71</u>
	23,469,600.85	3,456.21	8,268,397.98
Decreased by Disbursements:			
Budget Appropriations	12,846,436.59		
Appropriation Reserves	474,836.58		
Accounts Payable	239.50		
Interfunds		3,456.21	
Accrued Interest on Bonds and Notes	338,991.66		
Improvement Authorizations			503,143.71
Utilized in Operating Fund Budget:			462,326.99
Fund Balance			54,012.00
Bond Anticipation Notes			1,819,100.00
	<u>13,660,504.33</u>	3,456.21	2,838,582.70
Balance December 31, 2019:			
Cash and Cash Equivalents	1,954,586.77	383,642.18	5,429,815.28
Investments	<u>7,854,509.75</u>		<u>4,579,815.28</u>
	\$ 9,809,096.52	\$ 383,642.18	\$ 5,429,815.28



TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY ASSESSMENT FUND

Exhibit D-7

ANALYSIS OF CASH

FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec. 31, 2018	Receipts Miscellaneous	Disbursements Miscellaneous	Balance Dec. 31, 2019
Fund Balance	\$ 383,642.18	\$	\$	\$ 383,642.18
Interfund - Water-Sewer Operating Fund		3,456.21	3,456.21	
	\$ 383,642.18	\$ 3,456.21	\$ 3,456.21	\$ 383,642.18



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-9**

**SCHEDULE OF WATER CHARGES RECEIVABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 210,411.79
Increased by:		
Water Charges Levied	\$ 4,067,347.25	
Other Charges Billed	<u>369,264.45</u>	
		<u>4,436,611.70</u>
		<u>4,647,023.49</u>
Decreased by:		
Receipts	4,386,755.80	
Prepaid Applied	<u>16,608.99</u>	
		<u>4,403,364.79</u>
Balance December 31, 2019		\$ <u><u>243,658.70</u></u>
<b><u>Allocation of Revenue</u></b>		
Water Rents		\$ 4,038,704.84
Miscellaneous:		
Fire Hydrant Services		208,989.30
Water Connection Fees		103,359.29
Miscellaneous Other		<u>52,311.36</u>
		\$ <u><u>4,403,364.79</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-10**

**SCHEDULE OF SEWER CHARGES RECEIVABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 347,403.06
Increased by:		
Sewer Charges Levied	\$ 7,512,689.22	
Other Charges Billed	<u>62,225.62</u>	
		7,574,914.84
		<u>7,922,317.90</u>
Decreased by:		
Receipts	7,532,771.81	
Prepaid Applied	<u>7,398.41</u>	
		<u>7,540,170.22</u>
Balance December 31, 2019		\$ <u><u>382,147.68</u></u>
<b><u>Allocation of Revenue</u></b>		
Sewer Rents		\$ 7,477,944.60
Miscellaneous:		
Sewer Connection Fees		62,190.62
Miscellaneous Other		<u>35.00</u>
		\$ <u><u>7,540,170.22</u></u>

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF CONNECTION FEES RECEIVABLE**

**Exhibit D-11**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 21,672.00
Decreased by:		
Collections		<u>3,096.00</u>
		\$ <u><u>18,576.00</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-12**

**SCHEDULE OF FIXED CAPITAL**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b><u>Balance Dec. 31, 2018</u></b>	<b><u>Additions and Transfer In</u></b>	<b><u>Deletions and Transfers Out</u></b>	<b><u>Balance Dec. 31, 2019</u></b>
Purchase and Improvement of the Freehold Water and Utility Company	\$ 1,700,000.00	\$	\$	\$ 1,700,000.00
Maintenance and Storage Facility	75,000.00			75,000.00
Purchase of Southern Gulf Water Company	326,428.10			326,428.10
Treatment Plant	6,201,098.58			6,201,098.58
Distribution Mains	4,210,594.56			4,210,594.56
Meters and Meters Accessories	451,511.70			451,511.70
Standpipes and Storage Tanks	1,046,073.45			1,046,073.45
Wells	4,459,335.88			4,459,335.88
Land	432,146.38			432,146.38
Water System and Sewer System Improvements	24,871,920.48	309,590.00		25,181,510.48
Sewer Collection System	5,994,055.40			5,994,055.40
Sewer Emergency Response	17,781.33			17,781.33
Sewer Equipment	18,543.46			18,543.46
Vehicles	1,220,870.19	91,341.28	88,467.63	1,223,743.84
Equipment	122,304.01	385.04	462.00	122,227.05
	<b><u>\$ 51,147,663.52</u></b>	<b><u>\$ 401,316.32</u></b>	<b><u>\$ 88,929.63</u></b>	<b><u>\$ 51,460,050.21</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

Exhibit D-13

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance</u>	<u>2019 Authorizations</u>		<u>Balance</u>
		<u>Dec. 31, 2018</u>	<u>Deferred Reserve for Amortization</u>	<u>Charges to Future Revenue</u>	<u>Dec. 31, 2019</u>
	General Improvements:	\$	\$	\$	\$
02-14, 04-31	Improvements to the Water System	1,679,038.52			1,679,038.52
05-20	Various Improvements to the Water-Sewer System	1,956,506.64			1,956,506.64
06-22	Various Improvements to the Water-Sewer System	785,715.75			785,715.75
07-15	Various Improvements to the Water-Sewer System	300,000.00			300,000.00
09-17	Various Improvements to the Water-Sewer System	2,991,574.00			2,991,574.00
10-22	Various Improvements to the Water-Sewer System	875,000.00			875,000.00
11-21	Various Improvements to the Water-Sewer System	262,000.00			262,000.00
12-13	Various Improvements to the Water-Sewer System	700,000.00			700,000.00
14-06	Various Improvements to the Water-Sewer System	4,900,000.00			4,900,000.00
15-11	Various Improvements to the Water-Sewer System	1,023,000.00			1,023,000.00
16-09	SCADA System Upgrades	1,000,000.00			1,000,000.00
17-07	Various Improvements to the Water-Sewer System	250,000.00			250,000.00
18-08	Various Improvements to the Water-Sewer System	3,030,000.00			3,030,000.00
18-10	Improvements to Well 15	260,000.00		2,676,000.00	260,000.00
19-11	Various Improvements to the Water-Sewer System		80,000.00		2,676,000.00
19-13	Improvements to Pump Stations				80,000.00
		<u>\$ 20,012,834.91</u>	<u>\$ 80,000.00</u>	<u>\$ 2,676,000.00</u>	<u>\$ 22,768,834.91</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

Exhibit D-14

**WATER-SEWER UTILITY OPERATING FUND**

**SCHEDULE OF APPROPRIATION RESERVES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b><u>Balance Dec. 31, 2018</u></b>	<b><u>Reserve for Encumbrances</u></b>	<b><u>Balance After Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
Operating:					
Salaries and Wages	\$ 33,657.30	\$	\$ 33,657.30	\$	\$ 33,657.30
Other Expenses	630,154.15	190,282.11	820,436.26	377,458.08	442,978.18
Capital Improvement:					
Capital Outlay	121,009.41	100,917.50	221,926.91	97,378.50	124,548.41
Statutory Expenditures:					
Contribution to:					
Social Security System	<u>5,222.28</u>		<u>5,222.28</u>		<u>5,222.28</u>
	<u>\$ 790,043.14</u>	<u>\$ 291,199.61</u>	<u>\$ 1,081,242.75</u>	<u>\$ 474,836.58</u>	<u>\$ 606,406.17</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-15**

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 69,897.32
Increased by:	
Budget Appropriations:	
Interest on Bonds and Notes	<u>330,759.99</u>
	<u>400,657.31</u>
Decreased by:	
Disbursed	<u>338,991.66</u>
Balance December 31, 2019	<u><u>\$ 61,665.65</u></u>



**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-16

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2018		Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2019	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
General Improvements:										
02-14, 04-31	Improvements to the Water System	8/10/2004	\$ 1,719,000	\$	\$ 25,499.00	\$	\$	\$	\$ 25,499.00	\$
05-20	Various Improvements to the Water-Sewer System	7/26/2005	2,023,000		251,542.84				2,186.20	249,356.64
06-22	Various Improvements to the Water-Sewer System	5/23/2006	825,000	38,495.49	84,465.75				38,495.49	84,465.75
07-15	Various Improvements to the Water-Sewer System	6/26/2007	300,000	147,580.00					147,580.00	
09-17	Various Improvements to the Water-Sewer System	5/26/2009	3,005,000	122,346.46				44,390.00	77,956.46	1,236,974.00
10-22	Various Improvements to the Water-Sewer System	8/31/2010	875,000		551,925.92				175,925.92	376,000.00
11-21	Various Improvements to the Water-Sewer System	8/23/2011	262,000		70,059.48				22,059.48	48,000.00
12-13	Various Improvements to the Water-Sewer System	6/26/2012	700,000		465,278.52				74,278.52	391,000.00
14-06	Various Improvements to the Water-Sewer System	5/27/2014	4,900,000	11,585.08					311,685.08	637,900.00
15-11	Various Improvements to the Water-Sewer System	5/26/2015	2,023,000		457,162.31				196,162.31	261,000.00
16-09	SCADA System Upgrades	7/26/2016	1,000,000	98,367.61				50,306.13	48,061.48	
17-07	Various Improvements to the Water-Sewer System	6/27/2017	250,000	158,729.10				49,673.27	109,055.83	
18-08	Various Improvements to the Water-Sewer System	6/25/2018	3,030,000	260,000.00				75,805.22	122,774.88	2,926,462.63
18-10	Improvements to Well 15	6/25/2018	260,000					137,225.12		
19-11	Various Improvements to the Water-Sewer System	6/25/2019	2,676,000				2,676,000.00	104,927.25		2,321,100.00
19-13	Improvements to Pump Stations	6/25/2019	80,000			80,000.00			80,000.00	
				\$ 837,103.74	\$ 7,083,175.67	\$ 80,000.00	\$ 2,676,000.00	\$ 462,326.99	\$ 1,681,693.40	\$ 8,532,259.02

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-17**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 429,752.57
Increased by:		
2019 Budget Appropriations		<u>80,000.00</u>
		509,752.57
Decreased by:		
Appropriation to Finance Improvement Authorization		<u>80,000.00</u>
Balance December 31, 2019		<u><u>\$ 429,752.57</u></u>

**SCHEDULE OF RESERVE FOR AMORTIZATION**

**Exhibit D-18**

Balance December 31, 2018		\$ 51,338,463.52
Increased by:		
Budget Appropriations:		
Serial Bonds	\$ 765,000.00	
M.C.I.A. Lease Payable	6,300.00	
Capital Outlay or Transferred to Utility	<u>91,726.32</u>	
		<u>863,026.32</u>
		52,201,489.84
Decreased by:		
Fixed Assets Deleted or Transferred from Utility		<u>88,929.63</u>
Balance December 31, 2019		<u><u>\$ 52,112,560.21</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-19

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Ordinance Number</b>	<b>Improvements Description</b>	<b>Balance</b>	<b>Fixed</b>	<b>Paydown of</b>		<b>Balance</b>
		<b>Dec. 31, 2018</b>	<b>Capital Authorized</b>	<b>Notes</b>	<b>Serial Bonds</b>	<b>Dec. 31, 2019</b>
	General Improvements:					
02-14, 04-31	Improvements to the Water System	\$ 255,838.52	\$	\$ 15,600.00	\$	\$ 271,438.52
05-20	Various Improvements to the Water-Sewer System	107,150.00				107,150.00
06-22	Various Improvements to the Water-Sewer System	41,250.00				41,250.00
07-15	Various Improvements to the Water-Sewer System	300,000.00				300,000.00
09-17	Various Improvements to the Water-Sewer System	584,873.20			119,864.25	704,737.45
10-22	Various Improvements to the Water-Sewer System	332,600.00		15,600.00		348,200.00
11-21	Various Improvements to the Water-Sewer System	24,400.00		2,600.00		27,000.00
12-13	Various Improvements to the Water-Sewer System	50,200.00		4,200.00		54,400.00
14-06	Various Improvements to the Water-Sewer System	886,726.80			315,135.75	1,201,862.55
15-11	Various Improvements to the Water-Sewer System	325,100.00		18,900.00		344,000.00
16-09	SCADA System Upgrades	1,000,000.00				1,000,000.00
17-07	Various Improvements to the Water-Sewer System	250,000.00				250,000.00
18-10	Improvements to Well 15	260,000.00				260,000.00
19-13	Improvements to Pump Stations		80,000.00			80,000.00
		<b>\$ 4,418,138.52</b>	<b>\$ 80,000.00</b>	<b>\$ 56,900.00</b>	<b>\$ 435,000.00</b>	<b>\$ 4,990,038.52</b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

Exhibit D-20

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF WATER-SEWER SERIAL BONDS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
Utility Refunding Bonds	12/16/2009	\$ 6,580,000	9/15/2020	\$ 335,000	3.000%	\$ 1,000,000.00		\$ 335,000.00	\$ 665,000.00
Utility Refunding Bonds	10/01/2012	1,680,000	9/15/2021	330,000	4.000%				
			10/01/2020	175,000	3.000%				
			10/1/2021-22	175,000	3.500%				
			10/1/2023-24	170,000	3.500%	1,025,000.00		160,000.00	865,000.00
Utility Refunding Bonds	9/10/2015	1,295,000	7/15/2020-21	265,000	4.000%				
			7/15/2022	230,000	3.000%	1,030,000.00		270,000.00	760,000.00
Utility Bonds	12/11/2015	5,469,000	11/01/2020	440,000	4.000%				
			11/01/2021	450,000	2.000%				
			11/01/2022	460,000	2.000%				
			11/01/2023	465,000	2.000%				
			11/01/2024	480,000	2.000%				
			11/01/2025	490,000	2.125%				
			11/01/2026	505,000	2.250%				
			11/01/2027	520,000	2.375%	4,245,000.00		435,000.00	3,810,000.00
Utility Bonds	11/04/2019	2,174,000	10/15/2020	104,000	1.500%				
			10/15/2021	105,000	1.000%				
			10/15/2022	180,000	2.000%				
			10/15/2023	185,000	2.000%				
			10/15/2024	190,000	2.000%				
			10/15/2025	195,000	3.000%				
			10/15/2026	195,000	4.000%				
			10/15/2027	200,000	4.000%				
			10/15/2028	205,000	4.000%				
			10/15/2029	205,000	1.000%				
			10/15/2030-31	205,000	1.000%				
							2,174,000.00		2,174,000.00
						\$ 7,300,000.00	\$ 2,174,000.00	\$ 1,200,000.00	\$ 8,274,000.00
								\$ 435,000.00	
								765,000.00	
								\$ 1,200,000.00	

Deferred Reserve for Amortization  
Reserve for Amortization

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-21

**SCHEDULE OF BOND ANTICIPATION NOTES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Ordinance Number	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Issued for Cash	Decreased by			Balance Dec. 31, 2019
							Budget Appropriations	Serial Bonds Issued		
02-14, 04-31 10-22	Improvements to the Water System Various Improvements to the Water-Sewer System	12/17/2013			\$ 403,200.00	\$	\$ 15,600.00	\$ 387,600.00	\$	
11-21	Various Improvements to the Water-Sewer System	12/21/2010			166,400.00		15,600.00	150,800.00		
12-13	Various Improvements to the Water-Sewer System	12/20/2011			189,600.00		2,600.00	187,000.00		
15-11	Various Improvements to the Water-Sewer System	12/19/2012			258,800.00		4,200.00	254,600.00		
14-06	Various Improvements to the Water-Sewer System	12/11/2015			436,900.00		18,900.00	418,000.00		
18-08	Various Improvements to the Water-Sewer System	11/06/2018			300,100.00			300,100.00		
19-11	Various Improvements to the Water-Sewer System	11/04/2019	11/03/2020	1.75%	1,245,000.00			121,000.00		1,124,000.00
	Various Improvements to the Water-Sewer System	11/04/2019	11/03/2020	1.75%		876,000.00		876,000.00		876,000.00
					\$ 3,000,000.00	\$ 876,000.00	\$ 56,900.00	\$ 1,819,100.00	\$ 2,000,000.00	

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-22

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY LEASE PAYABLE

Sheet 1 of 2

FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Year of Lease</u>	<u>Lease Principal</u>	<u>Maturities of Lease Outstanding Dec. 31, 2019</u>	<u>Balance Dec. 31, 2018</u>	<u>Leases Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2019</u>
2013	\$ 73,800.00	See Amortization Statement	\$ 34,200.00	\$ 309,590.00	\$ 6,300.00	\$ 27,900.00
2019	309,590.00	See Amortization Statement				309,590.00
			\$ 34,200.00	\$ 309,590.00	\$ 6,300.00	\$ 337,490.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-22**

**SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT**

**Sheet 2 of 2**

**AUTHORITY LEASE PAYABLE**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2020	\$ 44,970.00	\$ 17,124.58
2021	50,480.00	16,110.00
2022	52,930.00	13,370.00
2023	55,380.00	10,510.00
2024	50,620.00	7,520.00
2025	15,050.00	4,670.00
2026	15,710.00	3,830.00
2027	16,580.00	2,940.00
2028	17,450.00	2,010.00
2029	18,320.00	1,030.00
	<u>\$ 337,490.00</u>	<u>\$ 79,114.58</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

Exhibit D-23

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED

FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>2019 Authorizations</u>	<u>Serial Bonds Issued</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2019</u>
05-20	Various Improvements to the Water-Sewer System	\$ 249,356.64	\$	\$	\$	249,356.64
06-22	Various Improvements to the Water-Sewer System	84,465.75				84,465.75
09-17	Various Improvements to the Water-Sewer System	1,236,974.00				1,236,974.00
10-22	Various Improvements to the Water-Sewer System	376,000.00				376,000.00
11-21	Various Improvements to the Water-Sewer System	48,000.00				48,000.00
12-13	Various Improvements to the Water-Sewer System	391,000.00				391,000.00
14-06	Various Improvements to the Water-Sewer System	637,900.00				637,900.00
15-11	Various Improvements to the Water-Sewer System	261,000.00				261,000.00
18-08	Various Improvements to the Water-Sewer System	1,785,000.00				1,785,000.00
19-11	Various Improvements to the Water-Sewer System		2,676,000.00	354,900.00	876,000.00	1,445,100.00
		<u>\$ 5,069,696.39</u>	<u>\$ 2,676,000.00</u>	<u>\$ 354,900.00</u>	<u>\$ 876,000.00</u>	<u>\$ 6,514,796.39</u>



TOWNSHIP OF FREEHOLD

PART III

OFFICIALS IN OFFICE AND SURETY BONDS

GENERAL COMMENTS

FINDINGS/RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT</u>
Barbara J. McMorrow	Mayor	
Lester A. Preston, Jr.	Deputy Mayor	
Anthony J. Ammiano	Committeeman	
Thomas L. Cook	Committeeman	
David M. Salkin	Committeeman	
Peter R. Valesi	Township Administrator	
Theresa Patino	Township Clerk (January 1, 2019 to May 31, 2019)	
Sanabel Abouzeina	Township Clerk (June 1, 2019 to present)	
Catherine M. Campbell	Chief Financial Officer, Treasurer	*
Elizabeth M. Kiernan	Tax and Utility Collector	*
Ernest Schriefer	Chief of Police	
Nicole L. Sonnenblick	Municipal Court Judge	*
Denise Yuhas	Municipal Court Administrator	*
Michael Imbriaco	Tax Assessor	
Paul N. Vitale	Construction Code Official	

All of the bonds were examined and were properly executed.

\*All Employees, unless otherwise required by Statute to be individually bonded, are covered under a \$1,000,000 Employees Dishonesty Blanket Coverage Bond through the Monmouth County Municipal Joint Insurance Fund. Those positions that are required to be individually bonded by Statute include:

Treasurer, Tax Collector, Utility Collector, Library Treasurer, Chief Financial Officer, but only if such position assumes the duties of the Treasurer, Judge, Magistrate, Court Administrator/Clerk, and paid Treasurers of Fire Districts and Volunteer EMS Organizations. The Statutory Bond limit is \$1,000,000.

## GENERAL COMMENTS

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

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

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$40,000.00 if the entity has a Qualified Purchasing Agent. The Township's bid threshold was \$40,000.00 for the year under audit.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

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

- Well Maintenance and Motor Repairs
- Grass Cutting and Related Maintenance
- Rehabilitation of Wells 7 and 10
- Purchase of Mini Bus
- Purchase of Dump Truck
- Park Improvements
- Pavement Overlay Program
- Furnishing of T-Shirts, Jerseys and Jackets
- Point Ivy Plant Test Well No. 16
- Jackson Mills Plant Wells 14 and 15
- Purchase of Various Equipment
- Repairs and Installation of Water/Sewer Components and Emergency Service
- GEO30 Software Implementation
- Purchase of Rock Salt
- Purchase of 25 Cubic Yard Trailer
- Plymouth Drive Culvert Replacement
- Purchase Utility Tractor and Rear Boom Mower
- Sanitary Sewer Rehabilitation
- Upgrades to Various Pump Stations

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

GENERAL COMMENTS (CONTINUED)

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

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

Attorney  
Labor Counsel  
Auditor  
Fee Accountant  
Financial Advisor  
Insurance Broker  
Planning Board Attorney  
Bond Counsel  
Tax Appeal Attorney  
Architect

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 4, 2019 adopted the following resolutions authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, the Township Committee of the Township of Freehold desires to establish the interest rate to be charged on all delinquent taxes and assessments, said interest to be waived within a ten day period after they become due; on the eleventh day of delinquency , interest shall be calculated from the date the tax was payable until the date of actual payment; and,

WHEREAS,, Statutes further provide for the Township to designate an employee who would be authorized to cancel property tax refunds or delinquencies, and utilities, credits or balances which are less than \$10.00;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Freehold that, pursuant to the provisions of NJSA 54:4-67, the rate of interest to be charged for the non-payment of taxes and assessments on or before the day when the same become delinquent is hereby fixed at eight percent per annum on the first \$1,500.00 of delinquency and eighteen percent per annum on any amount in excess of \$1,500.00 In addition, the Township will set an additional charge of six percent per annum on all delinquent accounts in excess of \$10,000.00, or the maximum allowed by Statute, whichever is greater.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (CONTINUED)

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

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

TAX TITLE LIENS

The last tax sale was held on December 4, 2019 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER</u>
2019	35
2018	35
2017	32

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2019 Taxes	25
Delinquent Taxes	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires 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 at year end.

RECOMMENDATIONS

NONE

