

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2020

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2020

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TOWNSHIP OF MANALAPAN
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TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and the account group of the Township of Manalapan, County of Monmouth, State of New Jersey (the Township") as of December 31, 2020 and 2019, and the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements listed as financial statement exhibits 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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

Auditor's Responsibility (continued)

significant accounting estimates made by management, as well as evaluating the overall presentation of the 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, the Township prepares its financial statements in accordance with the financial reporting provisions of 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. 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 Township as of December 31, 2020 and 2019, or the results of its operations and changes in fund balances for the years then ended.

Basis for Qualified Opinion on the Trust Fund

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 4.98% and 4.21% of the assets, and liabilities, reserves and fund balance of the Township's Trust Fund as of December 31, 2020 and 2019, respectively.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the Trust Fund paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Trust Fund of the Township as of December 31, 2020 and 2019, and related statements of fund balance - regulatory basis for the years then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund, General Capital Fund, Water Utility Fund and the General Fixed Assets Account Group of the Township as of December 31, 2020 and 2019, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the individual funds for the

Unmodified Opinions on Regulatory Basis of Accounting (continued)

year ended December 31, 2020 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements. The supplementary schedules and comments section as listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary schedules and comments section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the LOSAP Fund supplementary schedules, the information as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2021 on our consideration of the Township'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 the 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's internal control over financial reporting and compliance.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 28, 2021

Oliwa & Company

Certified Public Accountants

**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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Township of Manalapan, County of Monmouth, State of New Jersey (the "Township") as of and for the year ended December 31, 2020, and the related notes to the regulatory basis financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 28, 2021, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund, Water Utility Fund and the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and since the Length of Service Award Program Fund was not audited, a qualified opinion on the Trust Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Township's internal 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 regulatory basis 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 the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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.

Internal Control Over Financial Reporting (Continued)

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 regulatory basis financial statements are free of 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 accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 28, 2021

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash	A-4	\$21,195,203.53	\$18,846,987.54
Change Funds		825.00	825.00
		<u>21,196,028.53</u>	<u>18,847,812.54</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,075,285.37	1,260,969.25
Tax Title Liens Receivable	A-6	215,542.93	182,103.40
Miscellaneous Receivables	A-7	1,614.49	10,416.49
Property Acquired for Taxes - Assessed Valuation		264,800.00	264,800.00
Delinquent Penalties Receivable		18,263.93	20,393.02
Revenue Accounts Receivable	A-9	11,454.47	24,667.99
Due from Animal Control Fund		23,612.08	
Due from General Capital Fund		1.65	
Due from Other Trust Fund		93.72	
	A	<u>1,610,668.64</u>	<u>1,763,350.15</u>
		<u>22,806,697.17</u>	<u>20,611,162.69</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	146,266.59	166,059.13
Grants Receivable	A-14	97,487.00	38,537.55
		<u>243,753.59</u>	<u>204,596.68</u>
		<u>\$23,050,450.76</u>	<u>\$20,815,759.37</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Appropriation Reserves	A-3:A-8	\$1,391,775.27	\$1,142,354.40
Reserve for Encumbrances	A-3:A-8	469,907.12	306,019.34
Accounts Payable	A-8	960.00	214.00
Prepaid Taxes		1,273,703.89	938,081.49
Tax Overpayments		138,127.04	91,498.92
County Taxes Payable	A-10	37,325.60	50,642.00
Regional High School Tax Payable	A-11	10,041,162.09	9,070,363.09
Due to State of New Jersey (PL 1971, Ch.20)		46,526.02	45,017.40
Due to State of New Jersey for:			
Marriage License Fees		1,025.00	1,150.00
Training Fees		35,061.25	6,760.25
Burial Permits			10.00
Reserve for:			
Polling Places			3,200.00
Tax Appeals		375,000.00	350,000.00
Park Improvements		210,402.42	210,402.42
Federal Emergency Management Agency		503,577.55	503,577.55
		<u>14,524,553.25</u>	<u>12,719,290.86</u>
Reserves for Receivables and Other Assets	A	1,610,668.64	1,763,350.15
Fund Balance	A-1	<u>6,671,475.28</u>	<u>6,128,521.68</u>
		<u>22,806,697.17</u>	<u>20,611,162.69</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-15	228,345.18	149,533.26
Unappropriated Reserves	A-16	4,735.73	43,534.54
Reserve for Encumbrances	A-15	10,672.68	11,528.88
		<u>243,753.59</u>	<u>204,596.68</u>
		<u>\$23,050,450.76</u>	<u>\$20,815,759.37</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$3,500,000.00	\$3,500,000.00
Miscellaneous Revenue Anticipated	A-2	7,862,203.66	8,176,845.19
Receipts from Delinquent Taxes	A-2	1,254,323.42	1,097,796.00
Receipts from Current Taxes	A-2	144,170,995.96	141,940,487.46
Non-Budget Revenues	A-2	501,604.04	241,450.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	483,372.87	501,587.62
Cancelled Appropriated Grant Reserves	A-15	1,726.67	221.59
Accounts Payable Cancelled			11,582.00
Total Income		<u>157,774,226.62</u>	<u>155,469,970.38</u>
Expenditures:			
Budget Appropriations within "CAPS":			
Operations:			
Salaries and Wages	A-3	13,023,503.00	12,867,246.00
Other Expenses	A-3	11,278,496.00	11,353,305.00
Deferred Charges and Statutory Expenditures	A-3	3,591,765.00	3,532,986.00
Budget Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	93,500.00	93,500.00
Other Expenses	A-3	893,985.36	848,814.76
Capital Improvements	A-3	175,000.00	75,000.00
Municipal Debt Service	A-3	3,164,581.71	3,193,499.41
County Taxes	A-10	20,684,100.24	20,811,149.95
Regional High School Tax	A-11	29,390,697.00	29,205,118.00
Regional School Tax	A-12	66,693,248.00	65,332,340.00
Special District Taxes	A-13	3,326,530.00	3,259,880.00
Local Municipal Open Space Taxes		1,414,141.18	1,393,385.11
Grants Receivable Cancelled	A-14	1,725.53	220.00
Total Expenditures		<u>153,731,273.02</u>	<u>151,966,444.23</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Excess in Revenue		\$4,042,953.60	\$3,503,526.15
Fund Balance January 1	A	<u>6,128,521.68</u>	<u>6,124,995.53</u>
		10,171,475.28	9,628,521.68
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>3,500,000.00</u>	<u>3,500,000.00</u>
Fund Balance December 31	A	<u><u>\$6,671,475.28</u></u>	<u><u>\$6,128,521.68</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2020

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$3,500,000.00		\$3,500,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-9	27,500.00		32,876.00	\$5,376.00
Other Licenses	A-9	30,000.00		38,768.00	8,768.00
Fees and Permits	A-9	1,400,000.00		1,721,351.17	321,351.17
Fines and Costs - Municipal Court	A-9	300,000.00		181,097.15	(118,902.85)
Interest and Costs on Taxes	A-9	200,000.00		324,254.97	124,254.97
Interest on Investments and Deposits	A-9	50,000.00		39,001.37	(10,998.63)
Payment in Lieu of Taxes - Heritage Village	A-9	125,000.00		172,068.22	47,068.22
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-9	3,853,949.00		3,853,949.00	
Garden State Trust Fund	A-9	22,682.00		14,704.00	(7,978.00)
Uniform Construction Code Fees	A-9	600,000.00		754,104.50	154,104.50
Shared Services Agreement - Animal Control	A-9	131,458.00		131,458.00	
Recycling Tonnage	A-14	43,534.54		43,534.54	
Clean Communities Program	A-14		\$78,396.40	78,396.40	
Office on Aging	A-14	20,000.00	1,000.00	21,000.00	
NJ Body Armor	A-14	5,284.27		5,284.27	
Federal Body Armor	A-14	5,456.00		5,456.00	
NJACCHO - COVID 19	A-14	5,763.15	25,406.00	31,169.15	
Senior CARES Act	A-14		46,081.00	46,081.00	
NJACCHO - MRC - COVID 19	A-14		5,000.00	5,000.00	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2020

		<u>Anticipated</u>			
	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous Revenues (continued):					
General Capital Fund Balance	A-9	\$200,000.00		\$200,000.00	
Uniform Fire Safety Act	A-9	100,000.00		162,649.92	\$62,649.92
	A-1	<u>7,120,626.96</u>	<u>\$155,883.40</u>	<u>7,862,203.66</u>	<u>585,693.30</u>
Receipts from Delinquent Taxes	A-1:A-2	<u>750,000.00</u>		<u>1,254,323.42</u>	<u>504,323.42</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-5	<u>23,542,539.19</u>		<u>25,290,549.73</u>	<u>1,748,010.54</u>
Budget Totals		34,913,166.15	155,883.40	37,907,076.81	<u>\$2,838,027.26</u>
Non-Budget Revenues	A-1:A-2			501,605.18	
		<u>\$34,913,166.15</u>	<u>\$155,883.40</u>	<u>\$38,408,681.99</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$144,170,995.96
Allocated to School, County, Special District and Local Open Space Taxes		<u>121,508,716.42</u>
Balance for Support of Municipal Budget Appropriations		22,662,279.54
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,628,270.19</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$25,290,549.73</u></u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-5	\$1,254,323.42
Tax Title Lien Collections		-
	A-2	<u><u>\$1,254,323.42</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2020

Analysis of Non-Budget Revenues

CARES ACT Reimbursement	\$390,450.52
SLEO III School Security Shared Service	32,632.18
LOSAP Reimbursed	17,850.00
Tax Sale Premiums due from Other Trust Fund	13,600.00
Recycle Batteries/Scrap Metal/Oil Recycle	11,782.40
Clean-Up Liens	10,645.03
Ceremony Fees Marriage/Civil Union Fees	4,850.00
DMV - State Collection Inspection Fees	4,263.75
Clothing Bin Payment	4,043.75
Senior Citizens and Veterans Administrative Fee	3,555.34
Prior Year Refunds	2,797.31
Old Outstanding Checks Cancelled	1,557.00
Copies/Map	848.00
Mobile Stage Rentals	750.00
Returned Check Fees	640.00
Miscellaneous	511.76
Inspection Penalties	480.00
Clean Up Fees	247.00
Bid Specifications Fee	100.00
	<u>\$501,604.04</u>

Ref. A-1:A-2:A-4

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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Sheet 1 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$295,000.00	\$295,000.00	\$284,479.16	\$5,020.84	\$5,500.00
Other Expenses	23,950.00	23,950.00	8,974.96	14,975.04	
Governing Body:					
Salaries and Wages	36,546.00	36,546.00	36,546.00		
Municipal Clerk:					
Salaries and Wages	214,350.00	228,850.00	226,404.55	2,445.45	
Other Expenses	46,825.00	46,825.00	41,635.40	5,189.60	
Financial Administration:					
Salaries and Wages	372,100.00	372,100.00	359,151.51	3,448.49	9,500.00
Other Expenses	59,350.00	59,350.00	52,227.07	7,122.93	
Audit Services:					
Other Expenses	27,000.00	27,000.00	27,000.00		
Central Computer Office:					
Other Expenses	20,000.00	20,000.00	11,343.30	8,656.70	
Collection of Taxes:					
Salaries and Wages	188,500.00	188,500.00	178,720.31	3,279.69	6,500.00
Other Expenses	27,750.00	27,750.00	18,074.75	9,675.25	
Assessment of Taxes:					
Salaries and Wages	160,000.00	160,000.00	121,912.80	3,087.20	35,000.00
Other Expenses	96,723.00	96,723.00	34,129.65	32,593.35	30,000.00
Assessment Demonstration Program	65,562.00	65,562.00	63,550.00	2,012.00	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 2 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Legal Services and Costs:					
Other Expenses	\$160,000.00	\$105,500.00	\$78,570.29	\$26,929.71	
Engineering Services and Costs:					
Other Expenses	65,000.00	40,000.00	19,328.50	20,671.50	
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	37,200.00	37,200.00	35,906.70	1,293.30	
Other Expenses	36,000.00	36,000.00	15,361.20	20,638.80	
Zoning Board:					
Salaries and Wages	34,690.00	34,690.00	33,178.47	1,511.53	
Other Expenses	32,300.00	32,300.00	4,166.65	28,133.35	
INSURANCE					
General Liability	575,392.00	575,392.00	569,621.00	5,771.00	
Workers Compensation	175,000.00	175,000.00	171,145.06	3,854.94	
Employee Group	3,357,000.00	3,357,000.00	3,199,579.09	157,420.91	
Unemployment	10,000.00	10,000.00	5,497.74	4,502.26	
Health Benefits Waiver	117,000.00	117,000.00	94,715.08	2,284.92	\$20,000.00

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 3 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	\$7,600,867.00	\$7,600,867.00	\$7,421,564.25	\$179,302.75	
Other Expenses	300,316.00	300,316.00	275,267.50	25,048.50	
Public Information Officer					
Other Expenses	17,000.00	17,000.00	15,968.74	1,031.26	
Emergency Management:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	1,925.00	1,925.00	728.50	1,196.50	
Uniform Fire Safety Act:					
Salaries and Wages	178,750.00	178,750.00	175,474.44	3,275.56	
Other Expenses	5,125.00	5,125.00	3,522.73	1,602.27	
Municipal Prosecutor:					
Salaries and Wages	30,000.00	30,000.00	30,000.00		
Volunteer Incentive Award Program:					
Other Expenses	7,500.00	7,500.00	1,285.40	6,214.60	
Municipal Court:					
Salaries and Wages	295,800.00	295,800.00	281,633.27	4,666.73	\$9,500.00
Other Expenses	15,412.00	15,412.00	7,188.65	8,223.35	
Public Defender:					
Salaries and Wages	10,000.00	10,000.00	10,000.00		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 4 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
PUBLIC WORKS					
Streets and Roads:					
Salaries and Wages	\$1,700,600.00	\$1,700,600.00	\$1,649,020.61	\$21,579.39	\$30,000.00
Other Expenses	209,500.00	209,500.00	205,877.56	3,622.44	
Snow Removal:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	30,000.00	30,000.00	29,500.00	500.00	
Sanitation/Solid Waste Collection:					
Other Expenses	1,842,501.00	1,842,501.00	1,842,499.98	1.02	
Buildings and Grounds:					
Other Expenses	355,000.00	355,000.00	327,377.95	27,622.05	
Recycling:					
Other Expenses	50,000.00	50,000.00	45,841.91	4,158.09	
Vehicle Maintenance:					
Salaries and Wages	331,400.00	331,400.00	327,597.93	3,802.07	
Other Expenses	224,500.00	224,500.00	220,350.97	4,149.03	
Community/Condominium Services Act:					
Other Expenses	155,277.00	155,277.00	148,089.46	7,187.54	
Shade Tree Commission:					
Salaries and Wages	9,700.00	9,700.00	7,751.52	1,948.48	
Other Expenses	15,600.00	15,600.00	7,172.99	8,427.01	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
HEALTH AND HUMAN SERVICES					
Public Health Services:					
Salaries and Wages	\$313,750.00	\$313,750.00	\$299,638.87	\$4,111.13	\$10,000.00
Other Expenses	40,600.00	40,600.00	26,543.66	9,056.34	5,000.00
Environmental Commission:					
Other Expenses	500.00	500.00	375.00	125.00	
Community Alliance:					
Other Expenses	6,500.00	6,500.00		6,500.00	
Animal Control Services:					
Salaries and Wages	22,500.00	22,500.00	10,893.00	1,607.00	10,000.00
PARKS AND RECREATION					
Recreation Commission and Open Space:					
Salaries and Wages	310,650.00	310,650.00	270,948.14	2,701.86	37,000.00
Other Expenses	36,800.00	36,800.00	22,183.62	14,616.38	
Senior Citizen Center:					
Salaries and Wages	95,300.00	95,300.00	89,421.16	5,878.84	
Other Expenses	59,995.00	29,995.00	12,042.49	17,952.51	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
OTHER COMMON OPERATING FUNCTIONS					
Provision for Accumulated Sick & Vacation:					
Other Expenses	\$40,000.00	\$40,000.00	\$39,500.00	\$500.00	
Provision for Salary Adjustment:					
Other Expenses	25,000.00	25,000.00		25,000.00	
Postage:					
Other Expenses	45,000.00	45,000.00	42,015.36	2,984.64	
Energy Saving Implementation Plan (ESIP):					
Principal	63,368.06	63,368.06	63,368.06		
Interest	22,624.94	22,624.94	22,624.94		
STATE UNIFORM CONSTRUCTION CODE					
Construction Official:					
Salaries and Wages	686,500.00	686,500.00	677,378.78	9,121.22	
Other Expenses	15,050.00	15,050.00	13,165.35	1,884.65	
Code Enforcement/Zoning:					
Salaries and Wages	130,800.00	130,800.00	125,947.95	4,852.05	
Other Expenses	5,550.00	5,550.00	2,707.90	2,842.10	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
UTILITIES AND BULK PURCHASES					
Gasoline and Diesel Fuels	\$230,000.00	\$125,000.00	\$96,469.38	\$28,530.62	
Electricity	273,500.00	273,500.00	231,256.64	42,243.36	
Telephone and Telegraph	114,000.00	124,000.00	120,527.91	3,472.09	
Natural Gas	65,000.00	65,000.00	50,032.70	14,967.30	
Heating/Fuel Oil	3,000.00	3,000.00	1,868.85	1,131.15	
Street Lighting	425,000.00	375,000.00	313,964.18	61,035.82	
Water	64,000.00	64,000.00	34,625.60	29,374.40	
Sewer	10,000.00	10,000.00	8,568.00	1,432.00	
Telecommunication Costs	24,000.00	24,000.00	13,847.69	10,152.31	
Landfill Disposal Costs	1,750,000.00	1,990,000.00	1,626,747.67	363,252.33	
Total Operations - Within "CAPS"	24,508,999.00	24,508,999.00	22,951,596.50	1,349,402.50	\$208,000.00
Contingent	1,000.00	1,000.00		1,000.00	
Total Operations Including Contingent - Within "CAPS"	24,509,999.00	24,509,999.00	22,951,596.50	1,350,402.50	208,000.00
Detail:					
Salaries and Wages	13,182,003.00	13,196,503.00	12,758,284.50	265,218.50	173,000.00
Other Expenses (including Contingent)	11,327,996.00	11,313,496.00	10,193,312.00	1,085,184.00	35,000.00

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System of N.J.	\$666,227.00	\$666,227.00	\$666,227.00		
Social Security System (O.A.S.I.)	940,000.00	940,000.00	920,802.49	\$19,197.51	
Police and Firemen's Retirement System of N.J.	1,948,109.00	1,948,109.00	1,948,109.00		
Public Employees' Retirement System of N.J.	19,929.00	19,929.00	19,929.00		
Defined Contribution Retirement Program	17,500.00	17,500.00	9,982.76	7,517.24	
Deferred Charges and Statutory Expenditures Within "CAPS"	3,591,765.00	3,591,765.00	3,565,050.25	26,714.75	
Total General Appropriations for Municipal Purposes Within "CAPS"	28,101,764.00	28,101,764.00	26,516,646.75	1,377,117.25	\$208,000.00

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Length of Service Awards Program:					
Other Expenses	\$28,350.00	\$28,350.00	\$28,350.00		
Stormwater & Water Pollution:					
Other Expenses	10,000.00	10,000.00	9,000.00	\$1,000.00	
Recycling Tax	65,000.00	65,000.00	53,654.58	11,345.42	
SFSP Fire District Payments	10,522.00	10,522.00	10,522.00		
Reserve for Tax Appeals	25,000.00	25,000.00	25,000.00		
Total Other Operations - Excluded from "CAPS"	138,872.00	138,872.00	126,526.58	12,345.42	
SHARED SERVICE AGREEMENTS					
Animal Control Services:					
Salaries and Wages	93,500.00	93,500.00	93,500.00		
Other Expenses	37,958.00	37,958.00	35,645.40	2,312.60	
Monmouth County 911:					
Other Expenses	352,423.00	352,423.00	352,423.00		
Interlocal Monmouth Public Health Consortium:					
Other Expenses	15,135.00	15,135.00	15,135.00		
Interlocal - Information Technology:					
Other Expenses	113,676.00	113,676.00	113,676.00		
Total Shared Service Agreements	612,692.00	612,692.00	610,379.40	2,312.60	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program (40A:4-87, \$78,396.40+)		\$78,396.40	\$78,396.40		
NJ Body Armor	\$5,284.27	5,284.27	5,284.27		
Office on Aging (40A:4-87, \$1,000.00+)	20,000.00	21,000.00	21,000.00		
Recycling Tonnage	43,534.54	43,534.54	43,534.54		
Federal Body Armor	5,456.00	5,456.00	5,456.00		
NJACCHO-COVID-19 (40A:4-87, \$25,406.00+)	5,763.15	31,169.15	31,169.15		
Senior CARES Act (40A:4-87, \$46,081.00+)		46,081.00	46,081.00		
NACCHO MRC COVID 19 (40A:4-87, \$5,000.00+)		5,000.00	5,000.00		
Total Public and Private Programs Offset by Revenues	<u>80,037.96</u>	<u>235,921.36</u>	<u>235,921.36</u>		
Total Operations - Excluded from "CAPS"	<u>831,601.96</u>	<u>987,485.36</u>	<u>972,827.34</u>	<u>\$14,658.02</u>	
Detail:					
Salaries and Wages	93,500.00	93,500.00	93,500.00		
Other Expenses	738,101.96	893,985.36	879,327.34	14,658.02	
<u>Capital Improvements - Excluded from "CAPS"</u>					
Capital Improvement Fund	<u>175,000.00</u>	<u>175,000.00</u>	<u>175,000.00</u>		
	<u>175,000.00</u>	<u>175,000.00</u>	<u>175,000.00</u>		

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	\$2,090,000.00	\$2,090,000.00	\$2,090,000.00		
Interest on Bonds	606,450.00	606,450.00	606,424.49		\$25.51
Interest on Notes	84,227.00	84,227.00	84,226.95		0.05
Capital Lease Obligations					
Principal	346,000.00	346,000.00	346,000.00		
Interest	49,853.00	49,853.00	37,930.27		11,922.73
Total Municipal Debt Service Excluded from "CAPS"	<u>3,176,530.00</u>	<u>3,176,530.00</u>	<u>3,164,581.71</u>		<u>11,948.29</u>
Total General Appropriations Excluded from "CAPS"	<u>4,183,131.96</u>	<u>4,339,015.36</u>	<u>4,312,409.05</u>	<u>\$14,658.02</u>	<u>11,948.29</u>
Subtotal General Appropriations	32,284,895.96	32,440,779.36	30,829,055.80	1,391,775.27	219,948.29
Reserve for Uncollected Taxes	2,628,270.19	2,628,270.19	2,628,270.19		
Total General Appropriations	<u>\$34,913,166.15</u>	<u>\$35,069,049.55</u>	<u>\$33,457,325.99</u>	<u>\$1,391,775.27</u>	<u>\$219,948.29</u>
	<u>Ref.</u>	A-2	A-1	A:A-1	
Budget	A-3	\$34,913,166.15			
Appropriation by 40A:4-87	A-2	<u>155,883.40</u>			
		<u>\$35,069,049.55</u>			
Reserve for Uncollected Taxes	A-2		\$2,628,270.19		
Cash Disbursed	A-4		30,098,227.32		
Appropriated Reserves for Federal and State Grants	A-15		235,921.36		
Tax Appeal Reserve			25,000.00		
Encumbrances Payable	A		469,907.12		
			<u>\$33,457,325.99</u>		

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Assessment Fund:			
Assessments Receivable	B-3	<u>\$1,923.00</u>	<u>\$1,923.00</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-2	<u>139,389.48</u>	<u>111,072.11</u>
Open Space Fund:			
Cash and Cash Equivalents	B-2	<u>2,985,677.18</u>	<u>2,563,893.78</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-2	<u>10,045,148.43</u>	<u>11,057,611.24</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	B-9	690,118.36	584,295.41
Municipal Contributions Receivable		-	19,550.00
		<u>690,118.36</u>	<u>603,845.41</u>
		<u>\$13,862,256.45</u>	<u>\$14,338,345.54</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2020 and 2019

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Assessment Fund:			
Reserve for Assessments	B-8	<u>\$1,923.00</u>	<u>\$1,923.00</u>
Animal Control Fund:			
Due to State of New Jersey	B-5	41.40	534.00
Reserve for Animal Control Fund Expenditures	B-4	115,736.00	110,538.11
Due to Current Fund		<u>23,612.08</u>	
		<u>139,389.48</u>	<u>111,072.11</u>
Open Space Fund:			
Reserve for Open Space	B-6	<u>2,985,677.18</u>	<u>2,563,893.78</u>
Other Trust Fund:			
Various Reserves	B-7	10,041,917.56	11,054,474.09
Due to Current Fund		93.72	
Fund Balance	B-1	<u>3,137.15</u>	<u>3,137.15</u>
		<u>10,045,148.43</u>	<u>11,057,611.24</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	B-10	<u>690,118.36</u>	<u>603,845.41</u>
		<u>\$13,862,256.45</u>	<u>\$14,338,345.54</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE STATEMENT OF OTHER TRUST FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	B	\$3,137.15	\$3,137.15
Increased/(Decreased)		-	-
Balance, December 31	B	<u>\$3,137.15</u>	<u>\$3,137.15</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	C-2	\$8,389,434.58	\$2,504,501.86
Deferred Charges to Future Taxation:			
Funded	C-4	17,870,000.00	15,150,000.00
Unfunded	C-5	-	4,234,875.00
Grants Receivable	C-10	495,000.00	120,713.60
		<u>\$26,754,434.58</u>	<u>\$22,010,090.46</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-6	\$118,246.01	\$80,398.01
Improvement Authorizations:			
Funded	C-7	1,894,194.68	215,517.34
Unfunded	C-7	-	1,059,528.65
Contracts Payable	C-7	2,187,777.58	623,966.67
General Serial Bonds	C-8	17,870,000.00	15,150,000.00
Bond Anticipation Notes	C-9	4,234,875.00	4,234,875.00
Due to Current Fund		1.65	
Reserve for Sidewalk Program		16,693.33	16,693.33
Reserve for Country Estates Section VI			
Improvements		18,128.17	18,128.17
Reserve for Field Improvements		63,912.00	62,937.00
Reserve for Debt Service		40,626.00	40,626.00
Reserve for Paving Projects		10,000.00	10,000.00
Fund Balance	C-1	299,980.16	497,420.29
		<u>\$26,754,434.58</u>	<u>\$22,010,090.46</u>

On December 31, 2020 and 2019, there were no bonds and notes authorized but not issued.
(Schedule C-11)

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF GENERAL CAPITAL FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	C	\$497,420.29	\$325,903.64
Increased by:			
Premium on Notes Issued			24,316.65
Premium on Serial Bonds Issued	C-2	2,559.87	
Permanently Funded Improvement			
Authorizations Canceled			347,200.00
		<u>2,559.87</u>	<u>371,516.65</u>
Decreased by:			
Payment to Current Fund as			
Anticipated Revenue	C-2	<u>200,000.00</u>	<u>200,000.00</u>
Balance, December 31	C	<u>\$299,980.16</u>	<u>\$497,420.29</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Cash and Cash Equivalents	D-5	\$442,963.05	\$303,489.28
Capital Fund:			
Cash and Cash Equivalents	D-5	4,566,287.24	1,077,560.14
Fixed Capital	D-8	1,364,505.41	1,349,505.41
Fixed Capital Authorized and Uncompleted	D-15	4,455,000.00	510,000.00
Total Capital Fund		10,385,792.65	2,937,065.55
		<u>\$10,828,755.70</u>	<u>\$3,240,554.83</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-6	\$18,407.15	\$54,013.03
Encumbrances Payable	D-4	15,206.60	
Accrued Interest Payable	D-9	5,239.49	41.36
		38,853.24	54,054.39
Fund Balance	D-1	404,109.81	249,434.89
Total Operating Fund		442,963.05	303,489.28
Capital Fund:			
Serial Bonds	D-10	1,700,000.00	10,000.00
Capital Improvement Fund	D-11	66,625.00	66,625.00
Reserve for Amortization	D-12	1,359,505.41	1,339,505.41
Reserve for Capital Projects	D-13	108,337.66	518,045.66
Improvement Authorizations:			
Funded	D-14	4,167,614.87	444,057.00
Contracts Payable	D-14	197,346.58	26,420.75
Reserve for Deferred Amortization	D-16	2,760,000.00	510,000.00
Reserve for Debt Service		7,624.50	7,624.50
Fund Balance	D-2	18,738.63	14,787.23
Total Capital Fund		10,385,792.65	2,937,065.55
		<u>\$10,828,755.70</u>	<u>\$3,240,554.83</u>

On December 31, 2020 and 2019 there were no bonds and notes authorized but not issued.

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$65,500.00	\$60,000.00
Miscellaneous Revenue	D-3	151,219.89	139,818.46
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-6	53,955.03	22,759.90
Total Revenue		<u>270,674.92</u>	<u>222,578.36</u>
Expenditures:			
Operating	D-4	20,000.00	30,000.00
Capital Improvements	D-4	25,000.00	75,000.00
Debt Service	D-4	5,500.00	5,683.03
Total Expenditures		<u>50,500.00</u>	<u>110,683.03</u>
Excess in Revenue		220,174.92	111,895.33
Fund Balance January 1	D	249,434.89	197,539.56
		469,609.81	309,434.89
Decreased by:			
Utilized as Anticipated Revenue	D-1:D-3	65,500.00	60,000.00
Fund Balance December 31	D	<u>\$404,109.81</u>	<u>\$249,434.89</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	D	\$14,787.23	\$14,787.23
Increased by:			
Premium on Serial Bonds Issued	D-5	<u>3,951.40</u>	<u>-</u>
Balance, December 31	D	<u><u>\$18,738.63</u></u>	<u><u>\$14,787.23</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$65,500.00	\$65,500.00	
Miscellaneous	D-1:D-3	<u>135,000.00</u>	<u>151,219.89</u>	<u>\$16,219.89</u>
		<u>\$200,500.00</u>	<u>\$216,719.89</u>	<u>\$16,219.89</u>
	<u>Ref.</u>	D-4		
<u>Analysis of Miscellaneous</u>				
Water Volume Fees	D-5		\$146,211.48	
Application Fees	D-5		<u>5,008.41</u>	
	D-3		<u>\$151,219.89</u>	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Other Expenses	\$40,000.00	\$40,000.00	\$11,592.85	\$8,407.15	\$20,000.00
	<u>40,000.00</u>	<u>40,000.00</u>	<u>11,592.85</u>	<u>8,407.15</u>	<u>20,000.00</u>
Capital Improvements:					
Capital Improvement Fund	130,000.00	130,000.00			130,000.00
Capital Outlay	25,000.00	25,000.00	15,000.00	10,000.00	
	<u>155,000.00</u>	<u>155,000.00</u>	<u>15,000.00</u>	<u>10,000.00</u>	<u>130,000.00</u>
Debt Service:					
Payment of Bond Principal	5,000.00	5,000.00	5,000.00		
Interest on Bonds	500.00	500.00	500.00		
Total Debt Service	<u>5,500.00</u>	<u>5,500.00</u>	<u>5,500.00</u>		
	<u>\$200,500.00</u>	<u>\$200,500.00</u>	<u>\$32,092.85</u>	<u>\$18,407.15</u>	<u>\$150,000.00</u>
	Ref.				
	D-3		D-1	D:D-1	
Disbursements	D-5		\$16,386.25		
Encumbrances Payable	D		15,206.60		
Accrued Interest on Bonds	D-9		500.00		
			<u>\$32,092.85</u>		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
General Fixed Assets:			
Land and Land Improvements		\$16,275,742.22	\$16,275,742.22
Buildings and Improvements		6,108,884.75	6,108,884.75
Machinery, Equipment and Vehicles		<u>12,547,222.74</u>	<u>11,969,616.96</u>
Total General Fixed Assets		<u><u>\$34,931,849.71</u></u>	<u><u>\$34,354,243.93</u></u>
<u>Reserves</u>			
Investment in General Fixed Assets	E-1	<u><u>\$34,931,849.71</u></u>	<u><u>\$34,354,243.93</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Township of Manalapan, County of Monmouth, State of 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 school boards and the fire districts, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These 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 2020.

B. Description of Funds

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Township conform to the accounting principles and practices 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 differ from the fund structure required by GAAP.

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

Animal Control Fund - used to record animal license revenues and expenditures.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

Assessment Fund - used to record transactions relative to the financing of local improvements deemed to benefit the properties against which assessments are levied.

Other Trust Fund - used to record assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund - used to record municipal contributions, changes in market value and administrative charges for program-eligible volunteers.

Open Space Fund - used to record receipts and disbursements relative to open space acquisition and maintenance.

General Capital Fund - used to record 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.

Water Utility Operating and Capital Funds - used to record the operations and acquisition of capital facilities of the Township's water utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

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. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

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.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

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.

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 - Until lapsed at the close of the succeeding year, appropriation reserves are available 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.

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

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

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.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

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 when the terms of the sales contract become legally enforceable.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Township is required to develop a fixed assets accounting and reporting system.

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.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Township presents its financial statements, as listed in the table of contents, as required by the Division, which differ 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.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

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 insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act (“GUDPA”) is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that 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 seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five 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 \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it. Although the Township does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2020 and 2019 the Township’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Uninsured and Uncollateralized	\$3,944,885.23	\$5,180,203.12
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	<u>43,840,143.05</u>	<u>31,006,130.90</u>
	<u>\$47,785,028.28</u>	<u>\$36,186,334.02</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Deposits (continued)

In addition, as of December 31, 2020 and 2019, the Township had \$1,766,801.25 and \$1,757,419.97, respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are not subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

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 of which the Township is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this 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 GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

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.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Township does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Township. The fair value and book value of the Township's Length of Service Award Program Fund investments at December 31, 2020 and 2019 were \$690,118.36 and \$584,295.41, respectively.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2020 and 2019 no such investments were held by the Township.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal investment policy for interest rate risk.

NOTE 3. TAXES COLLECTED IN ADVANCE

Taxes collected in advance and set forth as cash liabilities in the financial statements are as follows:

	Balance December 31,	
	2020	2019
Prepaid Taxes	\$1,273,703.89	\$938,081.49

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. 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 regulatory 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 (the “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 notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if 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.

A. Long-Term Debt

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

<u>General Capital Bonds</u> <u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Original</u> <u>Issue</u>	<u>Interest</u> <u>Rate(s)</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Open Space	1/24/11	2,555,000.00	5.00%	\$120,000.00
Various Capital				
Improvements	1/24/13	5,505,000.00	5.00%	2,655,000.00
General Improvements	12/8/15	3,940,000.00	5.00%	2,410,000.00
Refunding Bonds	3/24/16	1,630,000.00	5.00%	305,000.00
Open Space Refunding				
Bonds	3/24/16	1,795,000.00	5.00%	375,000.00
Refunding Bonds	10/5/16	760,000.00	4.00%	500,000.00
Open Space Refunding				
Bonds	10/5/16	1,625,000.00	3.00%-4.00%	1,575,000.00
General Improvements	12/21/18	5,150,000.00	5.00%	4,450,000.00
General Improvements	12/23/20	5,480,000.00	4.00%-5.00%	5,480,000.00
				<u>\$17,870,000.00</u>

<u>Water Utility</u> <u>Capital Bonds</u> <u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Original</u> <u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Refunding Bonds	3/24/16	\$20,000.00	5.00%	\$5,000.00
Water Main Extension	12/23/20	1,695,000.00	3.00%-5.00%	1,695,000.00
				<u>\$1,700,000.00</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. DEBT (continued)

A. Long-Term Debt (continued)

Long-term bonded debt service requirements are as follows:

Year(s)	General Capital Fund		
	Principal	Interest	Total
2021	\$2,645,000.00	\$843,700.56	\$3,488,700.56
2022	2,015,000.00	737,300.00	2,752,300.00
2023	2,005,000.00	644,450.00	2,649,450.00
2024	2,105,000.00	545,550.00	2,650,550.00
2025	2,205,000.00	441,750.00	2,646,750.00
2026-2030	6,100,000.00	936,650.00	7,036,650.00
2031	795,000.00	36,350.00	831,350.00
	<u>\$17,870,000.00</u>	<u>\$4,185,750.56</u>	<u>\$22,055,750.56</u>

Year	Water Utility Capital Fund		
	Principal	Interest	Total
2021	\$65,000.00	\$62,873.89	\$127,873.89
2022	60,000.00	64,300.00	124,300.00
2023	60,000.00	61,900.00	121,900.00
2024	60,000.00	58,900.00	118,900.00
2025	65,000.00	55,900.00	120,900.00
2026-2030	370,000.00	228,250.00	598,250.00
2031-2035	470,000.00	132,350.00	602,350.00
2036-2040	550,000.00	50,400.00	600,400.00
	<u>\$1,700,000.00</u>	<u>\$714,873.89</u>	<u>\$2,414,873.89</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. DEBT (continued)

A. Long-Term Debt (continued)

Long-term debt transactions for the years ended December 31, 2020 and 2019 are summarized as follows:

	Balance Dec. 31, 2019	Additions	Deductions	Balance Dec. 31, 2020
General Capital Fund:				
General Serial Bonds	\$15,150,000.00	\$5,480,000.00	\$2,760,000.00	\$17,870,000.00
Water Utility Capital Fund:				
Serial Bonds	10,000.00	1,695,000.00	5,000.00	1,700,000.00
	<u>\$15,160,000.00</u>	<u>\$7,175,000.00</u>	<u>\$2,765,000.00</u>	<u>\$19,570,000.00</u>

	Balance Dec. 31, 2018	Additions	Deductions	Balance Dec. 31, 2019
General Capital Fund:				
General Serial Bonds	\$17,804,000.00		\$2,654,000.00	\$15,150,000.00
Water Utility Capital Fund:				
Serial Bonds	15,000.00		5,000.00	10,000.00
	<u>\$17,819,000.00</u>	<u>-</u>	<u>\$2,659,000.00</u>	<u>\$15,160,000.00</u>

B. Short-Term Debt

At December 31, 2020 and 2019, the Township's outstanding bond anticipation notes were as follows:

	Date of Issue	Date of Maturity	Balance Dec. 31, 2020	Interest Rate
General Capital Fund	11/12/19	1/13/21	\$4,234,875.00	0.75%

	Date of Issue	Date of Maturity	Balance Dec. 31, 2018	Interest Rate
General Capital Fund	11/12/19	11/10/20	\$4,234,875.00	2.00%

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. DEBT (continued)

B. Short-Term Debt (continued)

Bond anticipation note transactions for the years ended December 31, 2020 and 2019 are summarized as follows:

	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2020</u>
General Capital Fund: Bond Anticipation Notes	<u>\$4,234,875.00</u>	<u>\$4,234,875.00</u>	<u>\$4,234,875.00</u>	<u>\$4,234,875.00</u>
	<u>Balance Dec. 31, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2019</u>
General Capital Fund: Bond Anticipation Notes	<u>\$8,404,155.00</u>	<u>\$4,234,875.00</u>	<u>\$8,404,155.00</u>	<u>\$4,234,875.00</u>

C. Bonds and Notes Authorized but not Issued

At December 31, 2020 and 2019, there were no bonds and notes authorized but not issued.

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. As of December 31, 2020 and 2019, the Township's net debt, expressed as a percentage of the equalized valuation basis, was .219% and 0.247%, respectively. As of December 31, 2020 and 2019, the Township's net debt was \$16,175,000.00 and \$17,564,875.00, respectively, and the Township's remaining borrowing power was \$241,875,001.72 and \$231,324,766.08, respectively.

NOTE 5. 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. In accordance with New Jersey Statutes 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 6. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance under N.J.S.A. 43:21-3 et. seq. The Township has elected to fund 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. The reserves for unemployment compensation insurance at December 31, 2020, 2019 and 2018 were \$233,529.39, \$223,194.80, and \$208,001.01, respectively.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 7. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2020 and 2019, which were appropriated and included as anticipated revenue in budgets for the years ended December 31, 2021 and 2020 were as follows:

For the year ended December 31, 2021,

Current Fund	\$4,000,000.00
General Capital Fund	100,000.00
Water Utility Operating Fund	156,874.00

For the year ended December 31, 2020,

Current Fund	\$3,500,000.00
General Capital Fund	200,000.00
Water Utility Operating Fund	65,500.00

NOTE 8. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2020 and 2019 was as follows:

	Balance Dec. 31, 2019	Additions	Dispositions	Balance Dec. 31, 2020
Land	\$16,275,742.22			\$16,275,742.22
Buildings	6,108,884.75			6,108,884.75
Machinery and Equipment	11,969,616.96	\$801,985.34	\$224,379.56	12,547,222.74
	<u>\$34,354,243.93</u>	<u>\$801,985.34</u>	<u>\$224,379.56</u>	<u>\$34,931,849.71</u>

	Balance Dec. 31, 2018	Additions	Dispositions	Balance Dec. 31, 2019
Land	\$16,275,742.22			\$16,275,742.22
Buildings	6,044,584.75	\$64,300.00		6,108,884.75
Machinery and Equipment	12,683,309.37	771,403.59	\$1,485,096.00	11,969,616.96
	<u>\$35,003,636.34</u>	<u>\$835,703.59</u>	<u>\$1,485,096.00</u>	<u>\$34,354,243.93</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Township's liability related to unused sick and vacation pay. The Township permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2020 and 2019 were \$535,775.40 and \$453,052.32, respectively. The reserves for accrued unpaid sick and vacation benefits at December 31, 2020 and 2019 were \$730,599.58 and \$647,169.03, respectively.

NOTE 10. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor in each year and filed with the County Board of Taxation. Upon the filing of certified adopted budgets by the Township, Regional School District, Regional High School District, County and special districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Township is responsible for remitting one hundred percent of the school, county and special district taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Township and not the school districts, county or special districts.

NOTE 11. SCHOOL TAXES

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township raises its share of regional high school taxes on a school year basis and has elected to defer these taxes at December 31, 2020 and 2019 as follows:

	<u>Regional High School Tax</u>	
	<u>2020</u>	<u>2019</u>
Balance of tax	\$14,989,257.09	\$14,018,458.09
Deferred	4,948,095.00	4,948,095.00
Tax Payable	<u>\$10,041,162.09</u>	<u>\$9,070,363.09</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS

Description of Systems

The Township contributes to the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS") cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

PERS employee contributions were 7.50% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

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. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are 5.50% of base wages. Member contributions are matched by a 3.00% employer contribution.

Unfunded Net Pension Liability

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

Public Employees' Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$11,327,044.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability 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 employers, actuarially determined.

At June 30, 2020, the Township's proportion was 0.0694596009 percent, which was an increase of 0.0011727408 percent from its proportion measured as of June 30, 2019. The pension expense recognized in the Township's financial statement based on the April 1, 2020 billing was \$686,156.00.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases		
Through 2026	2.00% - 6.00%	2.00% - 6.00%
Thereafter	3.00% - 7.00%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 and June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
High Yield	2.00%	5.95%	2.00%	5.37%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Assets	3.00%	9.73%	2.50%	9.31%
Real Estate	8.00%	9.56%	7.50%	8.33%
U.S. Equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. Developed Market Equity	13.50%	8.57%	12.50%	9.00%
Emerging Market Equity	5.50%	10.23%	6.50%	11.37%
Private Equity	13.00%	11.42%	12.00%	10.85%
	<u>100.00%</u>		<u>100.00%</u>	

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2020 and 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$14,258,859.00	\$11,327,044.00	\$8,839,319.00
	June 30, 2019		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Township's proportionate share of the pension liability	\$15,542,275.00	\$12,304,256.00	\$9,575,767.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020 and 2019, the State reported deferred inflows of resources and deferred outflows of resources related to PERS from the following sources:

	June 30, 2020		June 30, 2019	
	Deferred Inflows of <u>Resources</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Deferred Outflows of <u>Resources</u>
Difference between expected and actual experience	\$40,057.00	\$206,247.00	\$54,355.00	\$220,845.00
Changes of assumptions	4,742,741.00	367,462.00	4,270,768.00	1,228,625.00
Net difference between projected and actual earnings on pension plan investments		387,167.00	194,227.00	
Changes in proportion and differences between Township's contributions and proportionate share of contributions	301,049.00	452,829.00	545,561.00	408,329.00
	<u>\$5,083,847.00</u>	<u>\$1,413,705.00</u>	<u>\$5,064,911.00</u>	<u>\$1,857,799.00</u>

The Township's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of \$3,670,142.00 will be recognized in pension expense by the Township over the next five years.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$25,243,586.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability 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 employers, actuarially determined. At June 30, 2020, the Township's proportion was 0.1953638508 percent, which was an increase of 0.0025028901 percent from its proportion measured as of June 30, 2019.

The pension expense recognized in the Township's financial statement based on the April 1, 2020 billing was \$1,948,109.00.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018. This actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases		
Through all future years	3.25% - 15.25%	3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

Police and Firemen’s Retirement System (PFRS) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 and June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
High Yield	2.00%	5.95%	2.00%	5.37%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Assets	3.00%	9.73%	2.50%	9.31%
Real Estate	8.00%	9.56%	7.50%	8.33%
U.S. Equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Market Equity	5.50%	10.23%	6.50%	11.37%
Private Equity	13.00%	11.42%	12.00%	10.85%
	<u>100.00%</u>		<u>100.00%</u>	

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

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

Discount Rate

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020 and 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$33,568,774.00	\$25,243,586.00	\$18,328,882.00
	June 30, 2019		
	1% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Township's proportionate share of the pension liability	\$31,901,269.00	\$23,601,975.00	\$16,733,113.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 12. PENSION PLANS (continued)

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

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020 and 2019, the State reported deferred inflows of resources and deferred outflows of resources related to PFRS from the following sources:

	June 30, 2020		June 30, 2019	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$90,596.00	\$254,498.00	\$149,428.00	\$199,231.00
Changes of assumptions	6,767,654.00	63,525.00	7,627,942.00	808,732.00
Net difference between projected and actual earnings on pension plan investments		1,480,150.00	319,799.00	
Changes in proportion and differences between Township's contributions and proportionate share of contributions	399,581.00	1,434,682.00	671,867.00	1,766,357.00
	<u>\$7,257,831.00</u>	<u>\$3,232,855.00</u>	<u>\$8,769,036.00</u>	<u>\$2,774,320.00</u>

The Township’s proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of \$4,024,976.00 will be recognized in pension expense by the Township over the next five years.

NOTE 12. PENSION PLANS (continued)

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

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.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 by the State on behalf of the Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows or inflows to disclose in the notes to the financial statements of the Township. At June 30, 2020, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$3,917,690.00.

Township's Proportionate Share of Net Pension Liability	\$25,243,586.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>3,917,690.00</u>
	<u>\$29,161,276.00</u>

NOTE 13. LENGTH OF SERVICE AWARD PROGRAM FUND - UNAUDITED

The Township has established a Length of Service Award Program under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e)(11) of the Internal Revenue Code.

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,050.00 per year of active emergency service.

Appropriations - Appropriations for the purpose of funding the Township's Length of Service Award Program are included as a separate line item in the Township's budget.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

NOTE 14. DEFERRED COMPENSATION

The Township has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey. The Plan enables the Township's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other postemployment benefit obligations for the year ended June 30, 2020. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2019.

Plan Description

The Township participates in the State Health Benefits Local Government Retired Employees Plan (the "Plan"), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions; therefore, assets are accumulated to pay associated benefits. Please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml> for additional information about the Plan.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for paid health benefit coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Contributions

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019.

Net OPEB Liability and Total OPEB Expense

As of June 30, 2019, the Plan reported a net OPEB liability of \$27,617,594.00 as the Township's proportionate share of the collective total of the net OPEB liability of participating employers in the Plan. As of June 30, 2019, the Township's proportionate share of the total net OPEB liability was .203879%. The Township's net OPEB liability as of June 30, 2019, was determined by an actuarial valuation of the total OPEB liability amount as of June 30, 2018, as rolled forward to June 30, 2019, less the amount of the Township's proportionate share of the Plan's Fiduciary Net Position. As reported by the Plan, the Township's total OPEB benefit for the year ended June 30, 2019 was \$722,246.00.

Employer Contributions to the Plan

The Plan's annual required employer contribution amount is based on a pay-as-you-go basis, rather than an annual contribution amount that is actuarially determined. The Township's contributions to the Plan for the years ended December 31, 2019, 2018 and 2017 were \$1,139,366.26, \$1,712,738.00 and \$1,710,362.62, respectively, which equaled the Township's required employer contribution amount for each year.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Actuarial Assumptions

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

	<u>June 30, 2019</u>
Inflation Rate	2.50%
Salary Increases*:	
PERS	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
PFRS	
Rate for all future years	3.25% - 15.25%

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

Mortality rates were based on the Pub-2010 General and Safety classification headcount weighted mortality with fully generational mortality improvement projections form the central year using Scale MP-2019.

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather than the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net 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 or 1 percentage point higher than the current discount rate:

	June 30, 2019		
	1% Decrease 2.50%	At Current Discount Rate 3.50%	1% Increase 4.50%
Net OPEB Liability	\$31,932,965.00	\$27,617,594.00	\$24,110,786.00

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Township, as well as what the Township’s net OPEB liability would be if they were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$23,305,846.00	\$27,617,594.00	\$33,117,955.00

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2019, the State reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	<u>June 30, 2019</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Changes of assumptions	\$9,787,061.00	-
Net difference between projected and actual earnings on pension plan investments	-	\$22,749.00
Difference between expected and actual experience	8,076,461.00	-
Changes in proportion and differences between Township's contributions and proportionate share of contributions	4,382,880.00	2,092,945.00
	<u>\$22,246,402.00</u>	<u>\$2,115,694.00</u>

At June 30, 2019, the amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	(\$3,278,643.00)
2021	(3,278,643.00)
2022	(3,280,655.00)
2023	(3,283,908.00)
2024	(3,286,880.00)
Thereafter	(3,721,979.00)
	<u>(\$20,130,708.00)</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 16. CAPITAL LEASE OBLIGATIONS

The Township participates in the Capital Equipment Lease Program with the Monmouth County Improvement Authority (the "Authority"). The Authority issued revenue bonds in which the Township pays the debt service as part of the lease agreements. The minimum lease payments are raised annually in the current fund budget.

The Township's lease obligations payable are summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>
Capital Equipment	10/4/11	\$887,000.00	5.00%	\$31,000.00
Capital Equipment	10/11/17	467,000.00	5.00%	202,000.00
Capital Equipment	10/16/19	558,000.00	5.00%	463,000.00
				<u>\$696,000.00</u>

Minimum lease payments due to the Authority are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$237,000.00	\$34,800.00	\$271,800.00
2022	216,000.00	22,950.00	238,950.00
2023	119,000.00	12,150.00	131,150.00
2024	124,000.00	6,200.00	130,200.00
	<u>\$696,000.00</u>	<u>\$76,100.00</u>	<u>\$772,100.00</u>

NOTE 17. EQUIPMENT LEASE PURCHASE AGREEMENT

On June 24, 2011, the Township entered into a fifteen-year equipment lease purchase agreement with Green Campus Partners, LLC for equipment that will provide energy savings to the Township. The Township has the option to purchase the equipment at any time. Lease payments for the equipment are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$68,887.15	\$20,115.85	\$89,003.00
2022	74,729.76	17,388.24	92,118.00
2023	80,912.71	14,429.29	95,342.00
2024	87,453.48	11,225.52	98,679.00
2025	94,370.24	7,762.76	102,133.00
2026	101,681.89	4,026.11	105,708.00
	<u>\$508,035.23</u>	<u>\$74,947.77</u>	<u>\$582,983.00</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 18. OPERATING LEASES

The Township leases various photocopy machines. The future minimum lease payments under the operating leases are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$9,396.49
2022	4,805.15
2023	4,053.84
2024	4,053.84
2025	916.60
	<u>\$23,225.92</u>

On November 21, 2018, the Township executed a lease-purchase agreement for a police vehicle. The future minimum lease payments under the lease-purchase agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$8,242.41	\$576.98	\$8,819.39

NOTE 19. INTERFUND BALANCES

Interfund receivables and payables at December 31, 2020 and 2019 are presented below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Receivables -		
Current Fund	<u>\$23,707.45</u>	<u>-</u>
Payables -		
Animal Control Fund	\$23,612.08	-
General Capital Fund	1.65	-
Other Trust Fund	93.72	-
	<u>\$23,707.45</u>	<u>-</u>

NOTE 20. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, and damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Township has opted to retain risk, up to certain limits, for which reinsurance has been obtained, for workmen’s compensation coverage. As of December 31, 2020 and 2019, the Township had reserves for workmen’s compensation claims of \$726,461.04 and \$700,987.46, respectively. The Township is a member of the Monmouth Municipal Joint Insurance Fund (the “Fund”). The Fund is a public entity risk pool and is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, and motor vehicles and equipment liability. The Fund contracts for excess liability insurance for property, general liability, auto liability, public official liability, and law enforcement liability. There were no settlements in excess of insurance coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 21. CONTINGENT LIABILITIES

Grant Financial Assistance

The Township receives certain financial assistance 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. The Township's administration anticipates that no material liabilities will result from such audits.

Legal Proceedings

In March 2017, a jury verdict involving the condemnation of property was rendered against the Township. The amount of the verdict was \$1,670,000.00 more than the amount previously paid by the Township to acquire the property. The Township appealed the jury verdict and the rulings of the Monmouth County Superior Court with the Appellate Division of Superior Court. The verdict and rulings have been reversed and the matter has been returned to the Monmouth County Superior Court for a new trial. In view of the COVID-19 pandemic, a new trial is not anticipated until late 2022 at the earliest. Should the property owner be determined to be entitled to additional funds, those monies are not required to be paid from current funds and may be either bonded or paid over an extended period of time.

In the opinion of the Township's administration, the resolution and impact of the above mentioned legal proceeding will not have a material adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

Pending Tax Appeals

Various tax appeal cases are currently pending in the New Jersey Tax Court. Amounts claimed have yet to be finally determined. The Township is vigorously defending its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. As of December 31, 2020 and 2019, the Township has reserved \$375,000.00 and \$350,000.00, respectively, for tax appeals pending in the New Jersey Tax Court. Funding of tax appeals in excess of the aforementioned reserves would be provided for in succeeding year budgets or from fund balance.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 22. SUBSEQUENT EVENTS

Authorization of Bonds and Notes

On May 26, 2021, the Township adopted an ordinance to authorize the issuance of bonds and notes of \$2,990,003.00 to finance a portion of the costs for various capital improvements, and the acquisition of various capital equipment.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2020

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2019	A	\$18,846,987.54	\$166,059.13
Increased by Receipts:			
Taxes Receivable	A-5	\$144,219,480.82	
State of New Jersey (P.L. 1971, Ch.20)		177,766.77	
Revenue Accounts Receivable	A-9	7,626,282.30	
Miscellaneous Revenue not Anticipated	A-2	501,604.04	
Petty Cash		450.00	
Prepaid Taxes		1,273,703.89	
Tax Overpayments		184,241.71	
Outstanding Check Cancelled	A-8	25.00	
Due to the State of New Jersey:			
Marriage Licenses		3,550.00	
Burial Permits		25.00	
Reserve for Polling Places		800.00	
Construction Training Fees		48,963.00	
Grants Receivable	A-14		\$131,711.84
Cancelled Grants Receivable	A-14		1,725.53
Unappropriated Reserves	A-16		4,735.73
		<u>154,036,892.53</u>	<u>138,173.10</u>
		172,883,880.07	304,232.23

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2020

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Decreased by Disbursements:			
Budget Appropriations	A-3	\$30,098,227.32	
Appropriation Reserves	A-8	964,065.87	
County Taxes Payable	A-10	20,697,416.64	
Regional High School Tax Payable	A-11	28,419,898.00	
Regional School Tax Payable	A-12	66,693,248.00	
Special District Taxes Payable	A-13	3,326,530.00	
Accounts Payable		214.00	
Due to the State of New Jersey:			
Marriage Licenses		3,675.00	
Burial Permits		35.00	
Petty Cash		450.00	
Construction Training Fees		20,662.00	
Reserve for Polling Places		4,000.00	
Local Municipal Open Space Taxes		1,414,141.18	
Tax Overpayments		46,113.53	
Cancelled Appropriated Reserves	A-15		\$1,726.67
Appropriated Reserves	A-15		156,238.97
		<u>\$151,688,676.54</u>	<u>\$157,965.64</u>
Balance, December 31, 2020	A	<u>\$21,195,203.53</u>	<u>\$146,266.59</u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2020

	<u>Ref.</u>		
Tax Levy:			
Regional School Tax	A-12		\$66,693,248.00
Regional High School Tax	A-11		29,390,697.00
County Taxes:			
County Tax	A-10	\$17,356,960.70	
County Library Tax	A-10	1,263,272.16	
County Open Space Tax	A-10	2,026,547.46	
Amount Due County for Added and Omitted Taxes	A-10	<u>37,319.92</u>	20,684,100.24
Fire District No. 1 Tax (Amount Certified)	A-13	1,867,688.00	
Fire District No. 2 Tax (Amount Certified)	A-13	<u>1,458,842.00</u>	3,326,530.00
Local Municipal Open Space Tax		1,411,610.10	
Amount Due Municipal Open Space Fund for Added and/or Omitted Taxes		<u>2,531.08</u>	1,414,141.18
Local Tax for Municipal Purposes	A-2	23,542,539.19	
Add: Additional Tax Levied		<u>306,049.77</u>	
Local Tax for Municipal Purposes Levied			<u>23,848,588.96</u>
			<u><u>\$145,357,305.38</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> A		\$182,103.40
Increased by:			
Transfers from Taxes Receivable	A-5	\$31,468.05	
Interest and Costs Accrued by Sale		<u>1,971.48</u>	
			<u>33,439.53</u>
			215,542.93
Decreased by:			
Collection			<u>-</u>
Balance, December 31, 2020	A		<u><u>\$215,542.93</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF MISCELLANEOUS RECEIVABLES
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> A	\$10,416.49
Increased by:		
Clean-Up Liens Levied		<u>1,845.50</u>
		12,261.99
Decreased by:		
Collection of Clean-Up Liens		<u>10,647.50</u>
Balance, December 31, 2020	A	<u><u>\$1,614.49</u></u>
Analysis of Balance:		
Clean-Up Liens		<u><u>\$1,614.49</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>	<u>Reserve for Encumbrances</u>	<u>Balance after Transfers</u>	<u>Paid, Charged or Adjusted</u>	<u>Balance Lapsed</u>
General Administration					
Salaries and Wages	\$7,234.67		\$7,234.67	\$3,482.02	\$3,752.65
Other Expenses	6,955.37	\$3,402.93	10,358.30	3,398.22	6,960.08
Municipal Clerk					
Salaries and Wages	5,350.35		5,350.35	3,119.53	2,230.82
Other Expenses	2,897.05	5,543.52	8,440.57	5,143.59	3,296.98
Financial Administration					
Salaries and Wages	6,214.41		6,214.41	3,863.58	2,350.83
Other Expenses	7,566.36	8,831.55	16,397.91	8,624.62	7,773.29
Central Computer Office					
Other Expenses	3,351.76		3,351.76		3,351.76
Collection of Taxes					
Salaries and Wages	3,990.15		3,990.15	2,100.25	1,889.90
Other Expenses	6,426.19	612.17	7,038.36	519.27	6,519.09
Assessment of Taxes					
Salaries and Wages	3,757.70		3,757.70	1,077.27	2,680.43
Other Expenses	18,848.36	9,949.80	18,798.16	13,791.80	5,006.36
Legal Services and Costs					
Other Expenses	7,603.33	7,959.24	5,562.57	5,110.52	452.05
Engineering Services and Costs					
Other Expenses	19,245.50	815.50	5,061.00	2,589.00	2,472.00
Streets and Roads					
Salaries and Wages	14,677.89		14,677.89	14,379.28	298.61
Other Expenses	32,623.08	52,795.55	65,418.63	45,528.23	19,890.40

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>	<u>Reserve for Encumbrances</u>	<u>Balance after Transfers</u>	<u>Paid, Charged or Adjusted</u>	<u>Balance Lapsed</u>
Planning Board					
Salaries and Wages	\$862.60		\$862.60	\$500.00	\$362.60
Other Expenses	30,044.39	\$2,860.32	22,904.71	4,845.94	18,058.77
Zoning Board					
Salaries and Wages	4,503.66		4,503.66		4,503.66
Other Expenses	30,147.73	1,426.74	21,574.47	1,317.49	20,256.98
Insurance					
General Liability	5,771.00		5,771.00		5,771.00
Workers Compensation	704.03		40,704.03	40,700.00	4.03
Employee Group	119,953.12	6,723.99	76,677.11	59,017.07	17,660.04
Unemployment	1,316.77		1,316.77		1,316.77
Health Benefit Waiver	4,654.03		4,654.03	353.15	4,300.88
Police Department					
Salaries and Wages	25,509.76		5,509.76	5,224.18	285.58
Other Expenses	14,691.45	52,205.05	56,896.50	49,790.35	7,106.15
Public Information Officer					
Other Expenses	1,932.02		1,932.02		1,932.02
Emergency Management					
Other Expenses	1,900.00		1,900.00		1,900.00
Uniform Fire Safety Act					
Salaries and Wages	3,453.76		3,453.76	1,000.00	2,453.76
Other Expenses	1,712.98	930.00	2,642.98	930.00	1,712.98
Volunteer Incentive Award Program					
Other Expenses	2,976.60	144.80	3,121.40	151.50	2,969.90

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TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>	<u>Reserve for Encumbrances</u>	<u>Balance after Transfers</u>	<u>Paid, Charged or Adjusted</u>	<u>Balance Lapsed</u>
Municipal Court					
Salaries and Wages	\$4,259.89		\$4,259.89	\$2,674.38	\$1,585.51
Other Expenses	6,133.50	\$2,481.92	8,615.42	1,867.13	6,748.29
Sanitation/Solid Waste Collection					
Other Expenses	749.86		749.86		749.86
Buildings and Grounds					
Other Expenses	11,509.60	29,815.84	41,325.44	34,601.24	6,724.20
Recycling					
Other Expenses	7,511.44	11,370.00	18,881.44	9,014.00	9,867.44
Vehicle Maintenance					
Salaries and Wages	4,366.16		4,366.16	1,500.00	2,866.16
Other Expenses	5,801.90	24,138.30	24,940.20	18,174.59	6,765.61
Community/Condominium Services Act					
Other Expenses	48,108.51		48,108.51		48,108.51
Shade Tree Commission					
Salaries and Wages	1,041.73		1,041.73		1,041.73
Other Expenses	16,851.00		16,851.00		16,851.00
Public Health Services					
Salaries and Wages	22,595.71		7,595.71	2,064.42	5,531.29
Other Expenses	9,205.41	4,119.48	13,324.89	2,923.91	10,400.98
Environmental Commission					
Other Expenses	150.00		150.00		150.00

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>	<u>Reserve for Encumbrances</u>	<u>Balance after Transfers</u>	<u>Paid, Charged or Adjusted</u>	<u>Balance Lapsed</u>
Community Alliance					
Other Expenses	\$4,369.50		\$4,369.50		\$4,369.50
Animal Control Services					
Salaries and Wages	5,918.88		5,918.88	\$789.39	5,129.49
Recreation Commission and Open Space					
Salaries and Wages	19,145.42		9,145.42	2,434.27	6,711.15
Other Expenses	5,269.53	\$12,922.10	18,191.63	14,158.12	4,033.51
Senior Citizen Center					
Salaries and Wages	1,893.48		1,893.48	1,580.83	312.65
Other Expenses	25,127.92	2,887.76	18,015.68	6,827.91	11,187.77
Provision for Accumulated Sick & Vacation					
Other Expenses	500.00		100,500.00	100,500.00	
Postage					
Other Expenses	8,088.80	5.87	8,094.67	5.87	8,088.80
Construction Official					
Salaries and Wages	9,345.02		9,345.02	3,977.21	5,367.81
Other Expenses	5,143.14	683.78	5,826.92	630.80	5,196.12
Code Enforcement/Zoning					
Salaries and Wages	2,290.97		2,290.97	1,787.08	503.89
Other Expenses	1,196.33	706.72	1,903.05	620.23	1,282.82
Utility Expenses and Bulk Purchases					
Gasoline and Diesel Fuels	31,906.02	13,890.69	45,796.71	28,483.39	17,313.32
Electricity	33,732.44	178.69	33,911.13	16,379.98	17,531.15
Telephone and Telegraph	14,850.95		14,850.95	230.77	14,620.18
Natural Gas	18,676.29		18,676.29	9,405.90	9,270.39
Heating/Fuel Oil	12,408.93	789.41	13,198.34	789.41	12,408.93

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TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
Utility Expenses and Bulk Purchases					
Street Lighting	\$40,236.97	\$6,024.78	\$46,261.75	\$34,722.89	\$11,538.86
Water	12,108.84		12,108.84	1,806.15	10,302.69
Sewer	1,432.00		1,432.00		1,432.00
Telecommunication Costs	6,179.43	606.44	6,785.87	504.39	6,281.48
Landfill/Disposal Costs	300,294.29		300,294.29	297,537.56	2,756.73
Snow Removal					
Other Expenses	500.00		55,500.00	55,500.00	
Contingent	955.00		955.00	(25.00)	980.00
LOSAP		28,350.00	28,350.00	17,850.00	10,500.00
Public Employees' Retirement System of N.J.	0.11		0.11		0.11
Social Security System (O.A.S.I.)	11,875.99		11,875.99		11,875.99
Stormwater and Water Pollution					
Other Expenses	6,000.00		6,000.00		6,000.00
Defined Contribution Retirement Program					
Other Expenses	4,669.38		4,669.38		4,669.38
Recycling Tax	20,673.74		20,673.74	9,011.58	11,662.16
Animal Control Services					
Other Expenses	2,404.25	3,670.15	6,074.40	939.36	5,135.04
Interlocal - Information Technology					
Other Expenses		9,176.25	9,176.25	9,176.25	
	<u>\$1,142,354.40</u>	<u>\$306,019.34</u>	<u>\$1,448,373.74</u>	<u>\$965,000.87</u>	<u>\$483,372.87</u>
<u>Ref.</u>	A	A	<u>Ref.</u>		A-1
			Cash Disbursements	A-4	\$964,065.87
			Accounts Payable	A	960.00
			Outstanding Check Cancelled	A-4	(25.00)
					<u>\$965,000.87</u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2020

	<u>Ref.</u>	<u>Balance Dec. 31, 2019</u>	<u>Accrued in 2020</u>	<u>Realized/ Collected</u>		<u>Balance Dec. 31, 2020</u>
Licenses - Alcoholic Beverage	A-2		\$32,876.00	\$32,876.00		
Licenses - Other	A-2		38,768.00	38,768.00		
Fees and Permits	A-2		1,721,351.17	1,721,351.17		
Fines and Costs - Municipal Court	A-2	\$24,667.99	167,883.63	181,097.15		\$11,454.47
Interest and Costs on Taxes	A-2		324,254.97	324,254.97		
Interest on Investments and Deposits	A-2		39,001.37	39,001.37		
Payment in Lieu of Taxes - Heritage Village	A-2		172,068.22	172,068.22		
Energy Receipts Tax	A-2		3,853,949.00	3,853,949.00		
Garden State Trust Fund	A-2		14,704.00	14,704.00		
Uniform Construction Code Fees	A-2		754,104.50	754,104.50		
Shared Services Agreement - Animal Control Services	A-2		131,458.00	131,458.00		
Uniform Fire Safety Act	A-2		162,649.92	162,649.92		
General Capital Surplus	A-2		200,000.00	200,000.00		
		<u>\$24,667.99</u>	<u>\$7,613,068.78</u>	<u>\$7,626,282.30</u>		<u>\$11,454.47</u>
	<u>Ref.</u>	A				A
			<u>Ref.</u>			
			Cash Receipts	A-4	<u>\$7,626,282.30</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> A		\$50,642.00
Increased by:			
County Tax	A-5	\$17,356,960.70	
County Library Tax	A-5	1,263,272.16	
County Open Space Tax	A-5	2,026,547.46	
Added and Omitted Taxes	A-5	<u>37,319.92</u>	
	A-1		<u>20,684,100.24</u>
			<u>20,734,742.24</u>
Decreased by:			
Payments	A-4		<u>20,697,416.64</u>
Balance, December 31, 2020	A		<u><u>\$37,325.60</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
Year Ended December 31, 2020

	<u>Ref.</u>		
Balance, December 31, 2019:			
School Tax Payable	A	\$9,070,363.09	
School Tax Deferred		<u>4,948,095.00</u>	\$14,018,458.09
Increased by:			
Levy - School Year July 1, 2020 to June 30, 2021	A-5		<u>29,390,697.00</u>
			43,409,155.09
Decreased by:			
Payments	A-4		<u>28,419,898.00</u>
Balance, December 31, 2020:			
School Tax Payable	A	10,041,162.09	
School Tax Deferred		<u>4,948,095.00</u>	<u>\$14,989,257.09</u>
 2020 Liability for Regional High School Tax:			
Tax Paid	A-11		\$28,419,898.00
Tax Payable, December 31, 2020	A-11		<u>10,041,162.09</u>
			38,461,060.09
Less: Tax Payable, December 31, 2019	A-11		<u>9,070,363.09</u>
Amount Charged to 2020 Operations	A-1		<u>\$29,390,697.00</u>

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TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAX PAYABLE
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019		
School Tax Payable/(Prepaid)		\$0.00
Increased by:		
Levy - Calendar Year 2020	A-5	66,693,248.00
		<u>66,693,248.00</u>
Decreased by:		
Payments	A-4	66,693,248.00
		<u>66,693,248.00</u>
Balance, December 31, 2020		
School Tax Payable/(Prepaid)		<u><u>\$0.00</u></u>
2020 Liability for Regional School Tax:		
Tax Paid	A-12	\$66,693,248.00
Tax Payable, December 31, 2020		-
		<u>\$66,693,248.00</u>
Less: Tax Payable, December 31, 2019		<u>-</u>
Amount Charged to 2020 Operations	A-1	<u><u>\$66,693,248.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
Year Ended December 31, 2020

	<u>Ref.</u>	
Increased by:		
Fire District No. 1 Tax Levy	A-5	\$1,867,688.00
Fire District No. 2 Tax Levy	A-5	<u>1,458,842.00</u>
	A-1	3,326,530.00
Decreased by:		
Payments	A-4	<u><u>\$3,326,530.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2020

Grant	Ref.	Balance Dec. 31, 2019	2020 Anticipated Revenue	Cash Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2020
Office on Aging	A-2	\$25,400.00	\$21,000.00	\$25,400.00			\$21,000.00
PHEP-MRC POD/CERT		4,600.00		4,597.98		\$2.02	
Recycling Tonnage	A-2		43,534.54		\$43,534.54		
Federal Body Armor	A-2		5,456.00	5,456.00			
Clean Communities Program	A-2		78,396.40	78,396.40			
NJ Body Armor	A-2		5,284.27	5,284.27			
NJ Department of Health CLEPP		3,037.55		1,461.81		1,575.74	
Drive Sober Get Pulled Over		5,500.00		5,500.00			
NJACCHO - Covid 19	A-2		31,169.15	5,615.38		147.77	25,406.00
Senior Cares Act - Covid	A-2		46,081.00				46,081.00
NJACCHO - MRC Covid 19	A-2		5,000.00				5,000.00
		<u>\$38,537.55</u>	<u>\$235,921.36</u>	<u>\$131,711.84</u>	<u>\$43,534.54</u>	<u>\$1,725.53</u>	<u>\$97,487.00</u>
<u>Ref.</u>		A	A-2	A-4	A-16	A-1:A-4	A

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2020

<u>Grant</u>	<u>Balance Dec. 31, 2019</u>	<u>Transfer from 2020 Budget Appropriation</u>	<u>Transferred from Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2020</u>
<u>2016</u>						
Drunk Driving Enforcement Fund	\$3,853.01		\$4,182.60	\$4,902.60		\$3,133.01
<u>2017</u>						
Clean Communities Program			371.28	371.28		
<u>2018</u>						
Recycling Tonnage	12,285.40			12,285.40		
NJDOH CLEPP Grant	3,037.55			1,461.81	\$1,575.74	
Clean Communities Program	16,327.92		6,000.00	20,116.58		2,211.34
<u>2019</u>						
Office on Aging	1.14		975.00	975.00	1.14	
Recycling Tonnage	13,077.06			13,077.06		
Federal Vest	43.12			43.12		
Clean Communities Program	86,949.95			28,125.65		58,824.30
PHEP MRC/CERT	4,600.00			4,586.31	2.02	11.67
Drunk Driving Enforcement Fund	4,738.11			1,680.00		3,058.11
Drive Sober or Get Pulled Over	4,620.00			4,620.00		
<u>2020</u>						
Recycling Tonnage		\$43,534.54		7,973.59		35,560.95
Office on Aging		21,000.00		19,985.84		1,014.16
NJACCO - COVID - 19		5,763.15		5,615.38	147.77	
NJ Body Armor Grant		5,284.27		5,284.27		
Federal Body Armor Grant		5,456.00		5,456.00		
Clean Communities Program		78,396.40				78,396.40
NJACCHO - Covid 19		25,406.00		13,672.54		11,733.46
Senior Grant CARES ACT		46,081.00		16,679.22		29,401.78
NJACCHO - MRC - Covid 19		5,000.00				5,000.00
	<u>\$149,533.26</u>	<u>\$235,921.36</u>	<u>\$11,528.88</u>	<u>\$166,911.65</u>	<u>\$1,726.67</u>	<u>\$228,345.18</u>
	A	A-3	A		A-1:A-4	A
Cash Disbursements	Ref. A-4			\$156,238.97		
Reserve for Encumbrances	A			10,672.68		
				<u>\$166,911.65</u>		

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2020

<u>Grant</u>	<u>Balance Dec. 31, 2019</u>	<u>Cash Receipts</u>	<u>Transferred to Grants Receivable</u>	<u>Balance Dec. 31, 2020</u>
Federal Body Armor	<u>\$43,534.54</u>	<u>\$4,735.73</u>	<u>\$43,534.54</u>	<u>\$4,735.73</u>
<u>Ref.</u>	A	A-4	A-14	A

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH
Year Ended December 31, 2020

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Open Space Fund</u>
Balance, December 31, 2019	B	<u>\$111,072.11</u>	<u>\$11,057,611.24</u>	<u>\$2,563,893.78</u>
Increased by Receipts:				
Reserve for Animal Control				
Fund Expenditures	B-4	46,389.80		
Due to State of New Jersey	B-5	3,805.20		
Various Reserves	B-7		19,256,374.11	
Reserve for Open Space	B-6			1,414,141.18
Due to Current Fund			<u>93.72</u>	
		<u>50,195.00</u>	<u>19,256,467.83</u>	<u>1,414,141.18</u>
Decreased by Disbursements:				
Due to State of New Jersey	B-5	4,297.80		
Animal Control Fund				
Expenditures (R.S. 4:19-15.11)	B-4	17,579.83		
Various Reserves	B-7		20,268,930.64	
Reserve for Open Space	B-6			992,357.78
		<u>21,877.63</u>	<u>20,268,930.64</u>	<u>992,357.78</u>
Balance, December 31, 2020	B	<u><u>\$139,389.48</u></u>	<u><u>\$10,045,148.43</u></u>	<u><u>\$2,985,677.18</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ASSESSMENT FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2020 and 2019</u>	<u>Balance Pledged to Reserve</u>
84-39	Sewer System	4/24/87	10	6/1/87-96	<u>\$1,923.00</u>	<u>\$1,923.00</u>
			<u>Ref.</u>		B	B-8

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> B		\$110,538.11
Increased by:			
Dog License Fees Collected		\$27,478.80	
Kennel and Other Fees Collected		<u>18,911.00</u>	
	B-2		<u>46,389.80</u>
			156,927.91
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-2	17,579.83	
Statutory Excess Due to Current Fund		<u>23,612.08</u>	
			<u>41,191.91</u>
Balance, December 31, 2020	B		<u><u>\$115,736.00</u></u>

License and Other Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$57,614.40
2018	<u>58,121.60</u>
	<u><u>\$115,736.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	B	\$534.00
Increased by:		
Collected in 2020	B-2	<u>3,805.20</u>
		4,339.20
Decreased by:		
Payments	B-2	<u>4,297.80</u>
Balance, December 31, 2020	B	<u><u>\$41.40</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
OPEN SPACE FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	B	\$2,563,893.78
Increased by:		
Open Space Tax Levy		\$1,411,610.10
Open Space Added and Omitted Levy		2,531.08
County of Monmouth Open Space		
Grant Reimbursement		-
	B-2	1,414,141.18
		3,978,034.96
Decreased by:		
Cash Disbursed	B-2	992,357.78
Balance, December 31, 2020	B	\$2,985,677.18

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
OTHER TRUST FUND
SCHEDULE OF VARIOUS RESERVES
Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Reserves for:				
Mount Laurel Fees	\$3,609,093.69	\$74,692.50	\$1,591,649.53	\$2,092,136.66
Law Enforcement Trust	116,050.97	3,613.87	26,200.25	93,464.59
Community Alliance	19,606.49	150.00	440.53	19,315.96
Cash Surety Bonds	339,846.05	238,845.72	162,312.19	416,379.58
Escrow, Engineering, and SOP	1,092,457.95	852,364.65	539,492.05	1,405,330.55
Recreation	513,410.64	176,796.15	282,887.71	407,319.08
Insurance Liability Claims	251,255.79	55,926.90	15,046.28	292,136.41
Shade Trees	154,432.90	21,010.00	15,304.50	160,138.40
Outside Liens	127,585.69	976,999.40	1,017,562.22	87,022.87
Tax Sale Premiums	1,380,650.00	1,041,900.00	712,200.00	1,710,350.00
Unemployment Trust	223,194.80	15,549.44	5,214.85	233,529.39
Parking Offense Adjudication Act	2,180.60	120.00	590.48	1,710.12
Detention Basin	226,220.56		47,519.22	178,701.34
Workmen's Compensation Claims	700,987.46	125,538.48	100,064.90	726,461.04
Outside Off-Duty Police Employment	128,345.72	510,512.50	533,263.04	105,595.18
Heritage Committee	975.00			975.00
Fire District Penalty Fees	11,965.11	230.00		12,195.11
DARE Program	3,183.50			3,183.50
Public Defender	7,263.92	3,140.00	606.14	9,797.78
Recycling	37,858.78	214.00		38,072.78
Mentoring	436.00			436.00
Tree Planting - Arboretum	9,310.47		2,230.70	7,079.77
Police - Unclaimed Safekeeping	12,982.27			12,982.27
Accumulated Sick Leave	647,169.03	100,500.00	17,069.45	730,599.58
Snow Removal	1,075,706.68	254,001.43	386,526.70	943,181.41
Manalapan Arts Council	53,868.44	5,044.00	4,627.06	54,285.38
Acceptance of Gifts	16,642.30	490.00	4,875.37	12,256.93
Teen Advisory	191.92		68.10	123.82
Federal Forfeiture Funds	54,428.87		6,183.64	48,245.23
Medical Reserve Corps - CERT				
Donations	4,985.57	1,568.89	1,113.62	5,440.84
Veterans Committee	15,088.76	1,260.00	1,724.24	14,624.52
Special Needs Council	26,146.81	155.00	2,354.71	23,947.10
Police 1033/LESO Program	558.00			558.00
Payroll Fund	190,393.35	14,795,751.18	14,791,803.16	194,341.37
	<u>\$11,054,474.09</u>	<u>\$19,256,374.11</u>	<u>\$20,268,930.64</u>	<u>\$10,041,917.56</u>
Ref.	B	B-2	B-2	B

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ASSESSMENT FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS
Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020 and 2019</u>
84-39	Sewer System	<u>\$1,923.00</u>
	<u>Ref.</u>	B:B-3

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2020

	<u>Ref.</u>		
Balance, December 31, 2019	B		\$584,295.41
Increased by:			
Municipal Contributions:			
Township of Manalapan		\$17,850.00	
Borough of Englishtown		1,700.00	
Investment Earnings and Change in Market Value	B-10	<u>87,622.95</u>	
			<u>107,172.95</u>
			691,468.36
Decreased by:			
Distributions	B-10	-	
Return of Non-Vested Funds	B-10	-	
Administrative Charges	B-10	<u>1,350.00</u>	
			<u>1,350.00</u>
Balance, December 31, 2020	B		<u><u>\$690,118.36</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2020

	<u>Ref.</u>		
Balance, December 31, 2019	B		\$603,845.41
Increased by:			
Municipal Contributions Receivable:			
Township of Manalapan		-	
Borough of Englishtown		-	
Investment Earnings and Change in Market Value	B-9	<u>\$87,622.95</u>	<u>87,622.95</u>
			<u>691,468.36</u>
Decreased by:			
Distributions	B-9	-	
Return of Non-Vested Funds	B-9	-	
Administrative Charges	B-9	<u>1,350.00</u>	<u>1,350.00</u>
Balance, December 31, 2020	B		<u><u>\$690,118.36</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> C		\$2,504,501.86
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-6	\$175,000.00	
Reserve for Field Improvements		975.00	
Grants Receivable	C-10	70,649.31	
Serial Bonds Issued	C-8	5,480,000.00	
Bond Anticipation Notes	C-9	-	
Due to Current Fund		1.65	
Premium on Bonds Issued:			
Deferred Charges to Future			
Taxation Unfunded	C-5	1,360,752.00	
Fund Balance	C-1	<u>2,559.87</u>	
			<u>7,089,937.83</u>
			9,594,439.69
Decreased by Disbursements:			
Improvement Authorizations	C-7	1,005,005.11	
Bond Anticipation Notes	C-9	-	
Payment to Current Fund as			
Anticipated Revenue	C-1	<u>200,000.00</u>	
			<u>1,205,005.11</u>
Balance, December 31, 2020	C		<u><u>\$8,389,434.58</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2020

	Balance <u>Dec. 31, 2020</u>
Capital Improvement Fund	\$118,246.01
Fund Balance	299,980.16
Cash on Hand to Pay Bond Anticipation Notes	4,234,875.00
Grants Receivable	(495,000.00)
Due to Current Fund	1.65
Contracts Payable	2,187,777.58
Reserve for Sidewalk Program	16,693.33
Reserve for Country Estates Section VI Improvements	18,128.17
Reserve for Field Improvements	63,912.00
Reserve for Debt Service	40,626.00
Reserve for Paving Projects	10,000.00

Improvement Authorizations:

Ordinance Number	Improvement Description	
16-04	Various Capital Improvements	57,206.71
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	72,234.01
18-05	Various Capital Improvements	546,236.69
19-10	Various Capital Improvements	301,628.38
20-11	Various Capital Improvements	916,888.89
		\$8,389,434.58

Ref.

C

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> C	\$15,150,000.00
Increased by:		
Improvement Costs Funded by:		
Serial Bonds Issued	C-5	<u>5,480,000.00</u>
		20,630,000.00
Decreased by:		
2020 Budget Appropriations to Pay Bonds:		
Municipal Bonds	C-8	\$2,090,000.00
Open Space Bonds	C-8	<u>670,000.00</u>
		<u>2,760,000.00</u>
Balance, December 31, 2020	C	<u><u>\$17,870,000.00</u></u>

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TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Transferred to Deferred Taxation - Funded	Premium on the Sale of Bonds	Balance Dec. 31, 2020
18-05	Various Capital Improvements	\$2,590,549.00		\$2,590,549.00		
19-10	Various Capital Improvements	1,644,326.00		1,644,326.00		
20-11	Various Capital Improvements		\$2,605,877.00	1,245,125.00	\$1,360,752.00	
		<u>\$4,234,875.00</u>	<u>\$2,605,877.00</u>	<u>\$5,480,000.00</u>	<u>\$1,360,752.00</u>	<u>-</u>
	<u>Ref.</u>	C	C-7	C-4	C-2	C

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TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> C	\$80,398.01
Increased by:		
2020 Budget Appropriation	C-2	<u>175,000.00</u>
		255,398.01
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>137,152.00</u>
Balance, December 31, 2020	C	<u><u>\$118,246.01</u></u>

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**TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2020**

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2019		Contracts Payable 2019	2020 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2020	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
14-04	Various 2014 Capital Improvements Improvements to Municipal Properties	04/23/14	\$2,859,438.00	\$11,070.97		\$1.08		\$11,072.05			
15-09	Various Capital Improvements Acquisition of Various Equipment	05/13/15	3,939,523.00	7,845.07		30,312.28		38,157.35			
16-04	Various Capital Improvements Various Road Improvements	06/15/16	3,393,540.00	57,206.71							\$57,206.71
17-07	Various Capital Improvements and the Acquisition of Various Equipment Improvements to Municipal Properties Various Road Improvements Various Technology Upgrades	05/10/17	3,056,046.00	10.26 18,117.40 72,213.95 5,322.31		4,403.20 11,491.51		10.26 22,520.60 11,471.45 5,322.31			72,234.01
18-05	Various Capital Improvements Acquisition of Various Equipment Improvements to Municipal Properties Various Road Improvements Various Technology Upgrades	05/09/18	3,574,995.00		\$76,902.27 30,210.00 490,188.87 25,175.00	650.00 267.59 159,800.25		31,878.64 267.59 172,541.76 18,360.68	\$50,064.29		45,673.63 65,040.67 427,383.07 8,139.32
19-10	Various Capital Improvements Acquisition of Various Equipment Improvements to Municipal Properties Various Road Improvements	05/08/19	1,730,870.00		8,246.66 143,925.00 284,880.85	417,040.76		8,246.66 151,500.00 400,293.23			301,628.38
20-11	Various Capital Improvements Improvements to Municipal Properties Various Road Improvements Various Technology Upgrades Acquisition of Various Equipment	06/10/20	3,238,029.00				\$490,000.00 2,306,529.00 17,500.00 424,000.00	313,351.00 1,583,325.67 6,415.73 418,047.71			176,649.00 723,203.33 11,084.27 5,952.29
				<u>\$215,517.34</u>	<u>\$1,059,528.65</u>	<u>\$623,966.67</u>	<u>\$3,238,029.00</u>	<u>\$3,192,782.69</u>	<u>\$50,064.29</u>		<u>\$1,894,194.68</u>
	Capital Improvement Fund	Ref. C-6		C	C	C	\$137,152.00		C-10	C	C
	Reappropriation of Improvement Authorizations						-				
	Grants Receivable	C-10					495,000.00				
	Deferred Charges to Future Taxation - Unfunded	C-5:C-11					2,605,877.00				
							<u>\$3,238,029.00</u>				
	Cash	C-2						\$1,005,005.11			
	Contracts Payable	C						2,187,777.58			
								<u>\$3,192,782.69</u>			

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Improvements	1/24/11	\$1,300,000.00				\$170,000.00		\$170,000.00	
Open Space	1/24/11	2,555,000.00	01/15/21	\$120,000.00	5.00%	235,000.00		115,000.00	\$120,000.00
Various Capital Improvements	1/24/13	5,505,000.00	12/01/21	480,000.00	5.00%	3,115,000.00		460,000.00	2,655,000.00
			12/01/22	505,000.00	5.00%				
			12/01/23	530,000.00	5.00%				
			12/01/24	555,000.00	5.00%				
			12/01/25	585,000.00	5.00%				

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Improvements	12/8/15	\$3,940,000.00	12/01/21	\$355,000.00	5.00%	\$2,750,000.00		\$340,000.00	\$2,410,000.00
			12/01/22	370,000.00	5.00%				
			12/01/23	390,000.00	5.00%				
			12/01/24	410,000.00	5.00%				
			12/01/25	430,000.00	5.00%				
			12/01/26	455,000.00	5.00%				
Refunding Bonds	3/24/16	1,630,000.00	12/01/21	305,000.00	5.00%	835,000.00		530,000.00	305,000.00
Open Space Refunding Bonds	3/24/16	1,795,000.00	12/01/21	375,000.00	5.00%	920,000.00		545,000.00	375,000.00
Refunding Bonds	10/5/16	760,000.00	08/01/21	245,000.00	4.00%	740,000.00		240,000.00	500,000.00
			08/01/22	255,000.00	4.00%				

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Outstanding Dec. 31, 2020 Amount					
Open Space Refunding Bonds	10/5/16	\$1,625,000.00	08/01/21	\$10,000.00	4.00%	\$1,585,000.00		\$10,000.00	\$1,575,000.00
			08/01/22	130,000.00	4.00%				
			08/01/23	135,000.00	4.00%				
			08/01/24	145,000.00	4.00%				
			08/01/25	150,000.00	4.00%				
			08/01/26	155,000.00	4.00%				
			08/01/27	160,000.00	4.00%				
			08/01/28	170,000.00	4.00%				
			08/01/29	175,000.00	4.00%				
			08/01/30	175,000.00	4.00%				
			08/01/31	170,000.00	3.00%				
General Improvements	12/21/18	5,150,000.00	12/01/21	350,000.00	5.00%	4,800,000.00		350,000.00	4,450,000.00
			12/01/22	350,000.00	5.00%				
			12/01/23	525,000.00	5.00%				
			12/01/24	550,000.00	5.00%				
			12/01/25	575,000.00	5.00%				
			12/01/26	700,000.00	5.00%				
			12/01/27	700,000.00	5.00%				
			12/01/28	700,000.00	5.00%				

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Improvements	12/23/20	\$5,480,000.00	12/01/21	\$405,000.00	4.00%		\$5,480,000.00		\$5,480,000.00
			12/01/22	405,000.00	4.00%				
			12/01/23	425,000.00	5.00%				
			12/01/24	445,000.00	5.00%				
			12/01/25	465,000.00	5.00%				
			12/01/26	490,000.00	5.00%				
			12/01/27	515,000.00	5.00%				
			12/01/28	540,000.00	5.00%				
			12/01/29	570,000.00	5.00%				
			12/01/30	595,000.00	5.00%				
			12/01/31	625,000.00	5.00%				
						Ref. C			C
Issued for Cash							\$5,480,000.00		
Paid by Budget Appropriation								\$2,090,000.00	
Paid by Open Space Fund Appropriation								670,000.00	
							<u>\$5,480,000.00</u>	<u>\$2,760,000.00</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
18-05	Various Capital Improvements	1/20/18	11/12/19	11/10/20	2.00%	\$2,590,549.00		\$2,590,549.00	
19-10	Various Capital Improvements	11/12/19	11/12/19	11/10/20	2.00%	1,644,326.00		1,644,326.00	
18-05	Various Capital Improvements	1/20/18	11/10/20	1/13/21	0.75%		\$2,590,549.00		\$2,590,549.00
19-10	Various Capital Improvements	11/12/19	11/10/20	1/13/21	0.75%		1,644,326.00		1,644,326.00
						<u>\$4,234,875.00</u>	<u>\$4,234,875.00</u>	<u>\$4,234,875.00</u>	<u>\$4,234,875.00</u>
					<u>Ref.</u>	C			C
							\$4,234,875.00	\$4,234,875.00	
					C-2		-		
					C-2		-		
							<u>\$4,234,875.00</u>	<u>\$4,234,875.00</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$120,713.60
Increased by:		
Ordinance Number 20-11 N.J.D.O.T. for Various Capital Improvements	C-7	495,000.00
		<u>615,713.60</u>
Decreased by:		
Cash Receipts	C-2	\$70,649.31
Cancelled	C-7	<u>50,064.29</u>
		<u>120,713.60</u>
Balance, December 31, 2020	C	<u><u>\$495,000.00</u></u>

Detail:

<u>Description</u>	<u>Ordinance Number</u>	
N.J.D.O.T. for Various Capital Improvements	20-11	<u><u>\$495,000.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorization	Bonds Issued	Premium on the Sale of Bonds	Balance Dec. 31, 2020
20-11	Various Capital Improvements	-	\$2,605,877.00	\$1,245,125.00	\$1,360,752.00	-
	Ref.	(Footnote C)	C-7			(Footnote C)

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TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2020

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2019	D	\$303,489.28	\$1,077,560.14
Increased by Receipts:			
Water Volume Fees	D-3	146,211.48	
Application Fees	D-3	5,008.41	
Reserve for Capital Projects:			
Connection Fees	D-13		35,292.00
Affordable Housing Trust Fund	D-16		1,500,000.00
Serial Bonds Issued	D-10		1,695,000.00
Water Capital Fund Improvement			
Authorization for Accrued Interest Payable	D-9	5,198.13	
Premium on Serial Bonds Issued:			
Deferred Reserve for Amortization	D-16		305,000.00
Fund Balance	D-2		3,951.40
		<u>156,418.02</u>	<u>3,539,243.40</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	16,386.25	
Appropriation Reserves	D-6	58.00	
Accrued Interest on Bonds	D-9	500.00	
Improvement Authorizations	D-13		50,516.30
		<u>16,944.25</u>	<u>50,516.30</u>
Balance, December 31, 2020	D	<u>\$442,963.05</u>	<u>\$4,566,287.24</u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2020

	<u>Balance</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2019</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
		<u>Transfers</u>		
Operating:				
Other Expenses	\$13,999.25	\$13,999.25	\$58.00	\$13,941.25
Capital Improvements:				
Capital Outlay	<u>40,013.78</u>	<u>40,013.78</u>		<u>40,013.78</u>
	<u><u>\$54,013.03</u></u>	<u><u>\$54,013.03</u></u>	<u><u>\$58.00</u></u>	<u><u>\$53,955.03</u></u>
			<u>Ref.</u>	
			D-5	D-1
Appropriation Reserves	D \$54,013.03			
Encumbrances Payable	<u>-</u>			
	<u><u>\$54,013.03</u></u>			

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL FUND CASH
December 31, 2020

	Balance Dec. 31, 2020
Fund Balance	\$18,738.63
Capital Improvement Fund	66,625.00
Reserve for Capital Projects	108,337.66
Contracts Payable	197,346.58
Reserve for Debt Service	7,624.50

Improvement Authorizations:

Ordinance Number	Improvement Description	
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	444,057.00
2020-04	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	445,000.00
2020-18	Millhurst Water Main Extension	3,278,557.87
		\$4,566,287.24
	<u>Ref.</u>	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	D	\$1,349,505.41
Additions:		
By Budget Capital Outlay:		
2020 Budget Appropriation	D-4	\$15,000.00
2019 Appropriation Reserves		-
	D-12	<u>15,000.00</u>
Balance, December 31, 2020	D	<u><u>\$1,364,505.41</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u>		\$41.36
	D		
Increased by:			
Funded by Water Capital Improvement Authorization	D-5	\$5,198.13	
Budget Appropriations	D-4	500.00	
			5,698.13
			5,739.49
Decreased by:			
Interest Paid	D-5		500.00
Balance, December 31, 2020	D		\$5,239.49

Analysis of Accrued Interest Payable - December 31, 2020

Principal Outstanding December 31, 2020	Interest Rate(s)	From	To	Period	Amount
Serial Bonds:					
\$1,695,000.00	3.00% - 5.00%	12/01/20	12/31/20	1 Month	\$5,218.66
5,000.00	5.00%	12/01/20	12/31/20	1 Month	20.83
					\$5,239.49

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Outstanding Dec. 31, 2020</u>	<u>Date</u>					
Refunding Bonds	03/24/16	\$20,000.00	12/01/21	\$5,000.00	5.00%	\$10,000.00		\$5,000.00	\$5,000.00
Water Main Extension	12/23/20	1,695,000.00	12/01/21	60,000.00	4.00%		\$1,695,000.00		1,695,000.00
			12/01/22	60,000.00	4.00%				
			12/01/23	60,000.00	5.00%				
			12/01/24	60,000.00	5.00%				
			12/01/25	65,000.00	5.00%				
			12/01/26	65,000.00	5.00%				
			12/01/27	70,000.00	5.00%				
			12/01/28	75,000.00	5.00%				
			12/01/29	80,000.00	5.00%				
			12/01/30	80,000.00	5.00%				
			12/01/31	85,000.00	5.00%				
			12/01/32	90,000.00	4.00%				
			12/01/33	95,000.00	4.00%				
			12/01/34	100,000.00	3.00%				
			12/01/35	100,000.00	3.00%				

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Water Main Extension (continued)	12/23/20	\$1,695,000.00	12/01/36	\$105,000.00	3.00%				
			12/01/37	105,000.00	3.00%				
			12/01/38	110,000.00	3.00%				
			12/01/39	115,000.00	3.00%				
			12/01/40	115,000.00	3.00%				
						<u>\$10,000.00</u>	<u>\$1,695,000.00</u>	<u>\$5,000.00</u>	<u>\$1,700,000.00</u>
					<u>Ref.</u>	D	D-5	D-12	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> D	\$66,625.00
Increased by:		
2020 Budget Appropriation		-
		<hr/> 66,625.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		-
		<hr/>
Balance, December 31, 2020	D	<u><u>\$66,625.00</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2020

Balance, December 31, 2019	<u>Ref.</u> D		\$1,339,505.41
Increased by:			
Serial Bonds Paid by Operating Budget	D-10	\$5,000.00	
Capital Outlay:			
By Operating Budgets	D-8	<u>15,000.00</u>	
			<u>20,000.00</u>
Balance, December 31, 2020	D		<u><u>\$1,359,505.41</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL PROJECTS
Year Ended December 31, 2020

	<u>Ref.</u>	
Balance, December 31, 2019	D	\$518,045.66
Increased by:		
Connection Fees	D-5	<u>35,292.00</u>
		553,337.66
Decreased by:		
Appropriated to Finance Improvement Authorization	D-16	<u>445,000.00</u>
Balance, December 31, 2020	D	<u><u>\$108,337.66</u></u>

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance	Balance	2020	Contracts	Paid or	Balance
Number	Description	Date	2019	Authoriz-	Payable	Charged	2020
Number	Description	Date	Amount	ations	Payable	Charged	Funded
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	\$510,000.00		\$26,420.75	\$26,420.75	\$444,057.00
2020-04	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	02/26/20	445,000.00	\$445,000.00			445,000.00
2020-18	Millhurst Water Main Extension	09/09/20	3,500,000.00	3,500,000.00		221,442.13	3,278,557.87
			<u>\$444,057.00</u>	<u>\$3,945,000.00</u>	<u>\$26,420.75</u>	<u>\$247,862.88</u>	<u>\$4,167,614.87</u>
		<u>Ref.</u>		D	D		D
				<u>Ref.</u>			
	Reserve for Capital Projects			D-15:D-16	\$445,000.00		
	Affordable Housing Trust Fund			D-15:D:16	1,500,000.00		
	Deferred Charges to Future Revenue			D-15	2,000,000.00		
					<u>\$3,945,000.00</u>		
						<u>Ref.</u>	
				Cash		D-5	\$50,516.30
				Contracts Payable		D	197,346.58
							<u>\$247,862.88</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2019	2020 Authorizations		Balance Dec. 31, 2020
		Date	Amount		Deferred Reserve for Amortization	Deferred Charges to Future Revenue	
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	\$510,000.00	\$510,000.00			\$510,000.00
2020-04	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	02/26/20	445,000.00		\$445,000.00		445,000.00
2020-18	Millhurst Water Main Extension	09/09/20	3,500,000.00		1,500,000.00	\$2,000,000.00	3,500,000.00
				<u>\$510,000.00</u>	<u>\$1,945,000.00</u>	<u>\$2,000,000.00</u>	<u>\$4,455,000.00</u>
			<u>Ref.</u>	D	D-14	D-14	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
Year Ended December 31, 2020

Ordinance Number	Purpose	Ordinance Date	Balance Dec. 31, 2019	Fixed Capital Authorized	Balance Dec. 31, 2020
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	\$510,000.00		\$510,000.00
2020-04	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	02/26/20		\$445,000.00	445,000.00
2020-18	Millhurst Water Main Extension	09/09/20		1,805,000.00	1,805,000.00
		<u>Ref.</u>	<u>\$510,000.00</u>	<u>\$2,250,000.00</u>	<u>\$2,760,000.00</u>
			D		D
	Reserve for Capital Projects	D-13:D-14		\$445,000.00	
	Affordable Housing Trust	D-5:D-14		1,500,000.00	
	Premium on Bonds Issued	D-5		305,000.00	
				<u>\$2,250,000.00</u>	

See Independent Auditor's Report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2020

	Balance Dec. 31, 2019	Additions	Dispositions	Balance Dec. 31, 2020
General Fixed Assets:				
Land and Land Improvements	\$16,275,742.22			\$16,275,742.22
Buildings and Improvements	6,108,884.75			6,108,884.75
Machinery, Equipment and Vehicles	11,969,616.96	\$801,985.34	\$224,379.56	12,547,222.74
	<u>\$34,354,243.93</u>	<u>\$801,985.34</u>	<u>\$224,379.56</u>	<u>\$34,931,849.71</u>
<u>Ref.</u>	E			E

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
COMMENTS
YEAR ENDED DECEMBER 31, 2020

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law.”

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney’s opinion should be sought before a commitment is made.

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

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services 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. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.” In the auditing of the Township’s expenditures, we performed tests of the Township’s compliance with N.J.S. 40A:11-6.1 and noted no exceptions.

Examination of Claims

In auditing the Township’s expenditures, we did not and were not required to determine or establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being subject to the Township’s system of internal control over the approval and payment of claims in accordance with N.J.S. 40A:5-16. However, we tested the Township’s compliance with its established internal control system over the approval and payment of claims in accordance N.J.S. 40A:5-16 and noted no exceptions.

COMMENTS (continued)

Payroll Withholdings

We did not and were not required to determine the propriety of withholdings from individual employee salaries for pensions, income taxes, social security and medicare taxes, and for other purposes.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 3, 2020, the Governing Body adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, the Township Committee of the Township of Manalapan deems it desirable to encourage prompt payment of taxes and assessments in order to permit sound fiscal planning; and

WHEREAS, real estate taxes are payable on February 1, May 1, August 1, and November 1 of each year; and

WHEREAS, the Township Committee desires to establish the interest rate of eight percent (8%) per annum on all delinquent taxes and assessments up to and including \$1,500 and eighteen percent (18%) per annum on all delinquent taxes and assessments over the sum of \$1,500, said interest to be waived within a ten (10) day period after they become due;

WHEREAS, N.J.S.A. 54:4-67 permits the governing body to assess, by resolution, an additional six percent (6%) penalty against delinquent taxes that remain unpaid prior to the end of the calendar year in excess of \$10,000.00; and

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Manalapan that pursuant to the provisions of N.J.S.A. 54:4-67 the rate of interest to be charged for the non-payment of taxes and assessments on or before the date when the same become delinquent is hereby fixed at eight (8%) per annum up to and including the sum of \$1,500 and eighteen percent (18%) over the sum of \$1,500 and said interest may be waived within a ten (10) day period after they become delinquent.

In addition to the interest set forth above, all taxes in excess of \$10,000 which are delinquent as of *December 31* will be assessed an additional penalty of six percent (6%) on the amount of the delinquency.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

COMMENTS (continued)

Tax Title Liens

The last tax sale was held on October 19, 2020 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2020	15
2019	14
2018	14

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2020	\$6,671,475.28	\$4,000,000.00
2019	6,128,521.68	3,500,000.00
2018	6,124,995.53	3,500,000.00

<u>Year</u>	<u>Water Utility Operating Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2020	\$404,109.81	\$156,874.00
2019	249,434.89	65,500.00
2018	197,539.56	60,000.00

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT (Excluding Fire Districts)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Municipal	\$.334	\$.331	\$.337
Municipal Open Space	.020	.020	.020
Regional Elementary School	.945	.941	.954
Regional High School	.416	.420	.415
County	.293	.299	.297
Total Tax Rate	<u>\$2.008</u>	<u>\$2.011</u>	<u>\$2.023</u>

ASSESSED VALUATIONS

2020	\$7,058,050,500.00
2019	6,944,410,400.00
2018	6,641,165,500.00

COMMENTS (continued)

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2020	\$145,357,305.38	\$144,170,995.96	99.18%
2019	143,281,599.03	141,940,487.46	99.06%
2018	137,772,233.91	136,636,518.07	99.17%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Title Liens	\$215,542.93	\$182,103.40	\$166,955.80
Delinquent Taxes	1,075,285.37	1,260,969.25	1,086,434.75
Total Delinquent	<u>\$1,290,828.30</u>	<u>\$1,443,072.65</u>	<u>\$1,253,390.55</u>
% of Tax Levy	0.89%	1.01%	0.91%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$264,800.00
2019	264,800.00
2018	264,800.00

COMMENTS (continued)

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Bonds and Notes	\$22,104,875.00	\$19,384,875.00	\$26,208,155.00
Water Utility Bonds and Notes	1,700,000.00	10,000.00	15,000.00
Total Issued	<u>23,804,875.00</u>	<u>19,394,875.00</u>	<u>26,223,155.00</u>
Less:			
Open Space Trust (40A:2-44h)	1,695,000.00	1,820,000.00	1,935,000.00
Funds on Hand to Pay Bonds and Notes	4,234,875.00	-	5,813,606.00
Total Deductions	<u>5,929,875.00</u>	<u>1,820,000.00</u>	<u>7,748,606.00</u>
Net Debt Issued	<u>17,875,000.00</u>	<u>17,574,875.00</u>	<u>18,474,549.00</u>
<u>Authorized but not Issued</u>			
General Bonds and Notes	<u>-</u>	<u>-</u>	<u>-</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$17,875,000.00</u>	<u>\$17,574,875.00</u>	<u>\$18,474,549.00</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.219%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local Regional School District Debt	\$26,707,986.69	\$26,707,986.69	
Regional High School Debt	-	-	
Water Utility Debt	1,700,000.00	1,700,000.00	
General Debt	22,104,875.00	5,929,875.00	\$16,175,000.00
	<u>\$50,512,861.69</u>	<u>\$34,337,861.69</u>	<u>\$16,175,000.00</u>

Net Debt \$16,175,000.00 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$7,372,857,192.00 equals 0.219%.

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

3½% of Equalized Valuation Basis	\$258,050,001.72
Net Debt	16,175,000.00
Remaining Borrowing Power	<u>\$241,875,001.72</u>

COMMENTS (continued)

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

Cash Receipts from Fees, Rents or Charges for Year		\$216,719.89
Deductions:		
Operating and Maintenance Cost	\$20,000.00	
Debt Service	<u>5,500.00</u>	
Total Deductions		<u>25,500.00</u>
Excess in Revenue - Self Liquidating		<u><u>\$191,219.89</u></u>

COMMENTS (continued)

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2020:

<u>Name</u>	<u>Title</u>
John McNaboe	Mayor
Susan Cohen	Deputy Mayor
Eric Nelson	Committeeman
Mary Ann Musich	Committeewoman
Barry Jacobson	Committeeman
Tara Lovrich	Township Administrator
Patricia Addario	Chief Financial Officer
Shari Rose	Township Clerk, Assessment Search Officer
Hope Ingram-Lewis	Tax Collector
James M. Newman	Judge of Municipal Court
Nicole Sonnenblick	Judge of Municipal Court
Daniella Trancho	Court Administrator

Township employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth Municipal Joint Insurance Fund. In addition, Township employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Insurance Fund.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

SINGLE AUDIT SECTION

YEAR ENDED DECEMBER 31, 2020

Oliwa & Company

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Township of Manalapan's (the "Township") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2020. The Township's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Township's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

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



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 28, 2021

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Grant Period	Grant Award Amount	Year ended December 31, 2020		Cumulative Expenditures
					Cash Received	Federal Expenditures	
United States Department of the Treasury/ Pass-Through County of Monmouth/ Coronavirus Relief Fund (CARES Act)	21.019	N/A	3/1/20-12/30/20	\$783,954.38	\$783,954.38	\$783,954.38	\$783,954.38
United States Department of Justice: Bulletproof Vest Partnership Program	16.607	-	2019-2021	3,761.48	-	43.12	3,761.48
Bulletproof Vest Partnership Program	16.607	-	2020-2022	5,456.00	5,456.00	5,456.00	5,456.00
Total United States Department of Justice					<u>5,456.00</u>	<u>5,499.12</u>	<u>9,217.48</u>
United States Department of Health and Human Services/ Pass-Through County of Monmouth/ Department of Human Services/ Manalapan Senior Center CARES Title IIIB	93.044	13-086	7/1/20-12/31/20	46,081.00	-	16,679.22	16,679.22
United States Department of Transportation/ Pass-Through State of New Jersey Department of Law and Public Safety/ Drive Sober or Get Pulled Over	20.616	EA-20-45-01-MH-86	12/6/2019-1/1/20	5,500.00	5,500.00	4,620.00	4,620.00
Total Expenditures of Federal Awards					<u>\$794,910.38</u>	<u>\$810,752.72</u>	<u>\$814,471.08</u>

N/A - not available

The accompanying notes are an integral part of this schedule.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the federal grant activity of the Township of Manalapan (the "Township"). The Township is defined in Note 1(A) to the Township's financial statements. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position, the results of operations and changes in fund balances of the Township.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Current year and cumulative expenditures on the Schedule are recorded on the basis of accounting as described in Note 1 to the Township's regulatory basis financial statements.

NOTE 3: INDIRECT COST RATE

The Township did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the schedule of expenditures of federal awards agree with the amounts reported in the related federal financial reports.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

1. The independent auditor’s report expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund, Water Utility Fund and the General Fixed Assets Account Group and a qualified opinion on the Trust Fund.
2. No material weaknesses or significant deficiencies relative to internal control over financial reporting were identified.
3. No instances of noncompliance material to the financial statements were noted.
4. No material weaknesses or significant deficiencies relative to internal control over major program compliance were identified.
5. The independent auditor’s report on compliance for the major award program expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was:

Program	CFDA Number	Pass-Through Grantor Number
United States Department of the Treasury Pass-Through County of Monmouth Coronavirus Relief Fund (CARES Act)	21.019	Not Available

8. The threshold used for distinguishing between Type A and B programs was \$750,000.00
9. The Township does not qualify as a low-risk auditee.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

No financial statement findings were identified.

SECTION III – FINDINGS AND QUESTIONED COSTS

No findings or questioned costs were identified.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART V

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

Current Year Recommendations

None

Status of Prior Year Recommendations

There were no prior year recommendations.