



Township of
Readington
New Jersey

**TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY
REPORT OF AUDIT
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY**

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**TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY**

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**



Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Committee
Township of Readington
Whitehouse Station, New Jersey**

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Township of Readington, New Jersey ("Township"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance for the years then ended, and the statement of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Township as of December 31, 2023 and 2022, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, and the statement of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2023 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government Services, State of New Jersey ("Division") described in Note 1.

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 section of our report, the financial statements 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, 2023 and 2022, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

Basis for Opinion

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is required to evaluate whether there are conditions of events considered in the aggregate, that raise substantial doubt about the Township’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The information included in Part II – Supplementary Information Required by the Division and Part IV – Roster of Officials and General Comments and Recommendations - Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is 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 May 22, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
May 22, 2024



Gary Higgins, CPA
Registered Municipal Accountant, No. 405

Exhibits - Regulatory Basis

TOWNSHIP OF READINGTON
CURRENT AND GRANT FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

A
Sheet # 1

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS AND DEFERRED CHARGES			
CURRENT FUND			
Cash and Cash Equivalents	A-4	\$ 10,211,776.74	\$ 10,446,827.40
Change Funds	A-5	550.00	650.00
Due from State of N.J. - Senior Citizens' and Veterans' Deductions	A-6	45,235.00	44,419.25
		<u>10,257,561.74</u>	<u>10,491,896.65</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-7	801,368.67	699,022.13
Tax Title Liens Receivable	A-8	134,163.61	129,665.32
Revenue Accounts Receivable	A-12	4,805.41	4,960.45
Due from Animal Control Trust Fund	A-15	284.14	
Due from Trust Other Fund	A-15	132,375.07	
Due from Open Space Fund	A-15	32,158.98	
		<u>1,105,155.88</u>	<u>833,647.90</u>
Deferred Charges - Special Emergency	A-22	100,000.00	200,000.00
Total Current Fund		<u>11,462,717.62</u>	<u>11,525,544.55</u>
GRANT FUND			
Due from Current Fund	A-27	983,707.85	1,418,195.91
Grants Receivable	A-26	225,803.39	182,536.10
Total Grant Fund		<u>1,209,511.24</u>	<u>1,600,732.01</u>
Total		<u>\$ 12,672,228.86</u>	<u>\$ 13,126,276.56</u>

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
CURRENT AND GRANT FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

A
Sheet # 2

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
CURRENT FUND			
Liabilities			
Appropriation Reserves	A-3, A-13	\$ 1,188,857.37	\$ 615,049.78
Encumbrances Payable	A-25	237,039.34	222,845.70
Reserve for Revaluation	A-10	50,224.50	50,224.50
Prepaid Taxes	A-19	1,565,195.91	505,763.87
Miscellaneous Fees Payable	A-9	1,675.00	10,733.00
County Taxes Payable	A-17	75,921.28	73,934.45
Regional School Taxes Payable			1,999,997.00
Reserve for Tax Sale Premiums	A-14	367,000.00	335,500.00
Reserve for Tax Appeals	A-23	8,002.00	1,808,002.00
Tax Overpayments	A-11	50,764.61	84,119.71
Due to Grant Fund	A-15	983,707.85	1,418,195.91
Due to Sewer Operating Fund	A-15	173,358.91	
Due to General Capital Fund	A-15	3,240,200.64	
Due to Other Trust Fund		-	776.50
Reserve for Municipal Relief Funds	A-24	148,292.56	74,161.98
		<u>8,090,239.97</u>	<u>7,199,304.40</u>
Reserve for Receivables and Other Assets	A	1,105,155.88	833,647.90
Fund Balance	A-1	<u>2,267,321.77</u>	<u>3,492,592.25</u>
Total Current Fund		<u>11,462,717.62</u>	<u>11,525,544.55</u>
GRANT FUND			
Encumbrances Payable	A-28	19,165.51	59,779.75
Due to General Capital Fund	A-27	17,093.00	17,093.00
Reserve for Appropriated Grants	A-29	1,149,516.83	1,493,948.52
Reserve for Unappropriated Grants	A-30	23,735.90	29,910.74
Total Grant Fund		<u>1,209,511.24</u>	<u>1,600,732.01</u>
Total		<u>\$ 12,672,228.86</u>	<u>\$ 13,126,276.56</u>

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>A-1</u>			
Revenues and Other Income Realized			
Fund Balance Utilized	A-2	\$ 1,940,000.00	\$ 1,960,000.00
Miscellaneous Revenue Anticipated	A-2	4,138,738.44	4,933,283.80
Delinquent Taxes	A-2	729,399.04	659,736.78
Current Taxes	A-2	85,154,983.45	83,591,683.68
Non-Budget Revenue	A-2	110,217.07	209,121.62
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	318,805.78	869,006.94
Cancellation of Grant Receivable		-	7,923.00
Cancellation of Unappropriated Grants		-	0.41
Interfunds Returned		-	114.00
Total Revenues and Other Income		<u>92,392,143.78</u>	<u>92,230,870.23</u>
Expenditures:			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	7,385,950.00	7,325,465.00
Other Expenses	A-3	8,610,287.08	8,636,647.23
Capital Improvements	A-3	393,590.00	550,865.00
Municipal Debt Service	A-3	3,859,921.61	4,604,315.32
Deferred Charges and Statutory Expenditures	A-3	2,350,155.00	2,214,084.00
County Taxes	A-17	14,046,900.66	13,319,292.95
County Share of Added and Omitted Taxes	A-17	75,920.99	73,934.16
Local Open Space Tax	A-21	657,900.00	662,060.00
Local Open Space Added Taxes	A-21	3,568.23	3,690.64
Regional School Taxes	A-18	20,120,246.00	19,969,552.00
Local District School Taxes	A-20	33,939,660.00	33,064,275.00
Senior Citizen's Deductions Disallowed for Prior Year Taxes	A-6	500.00	
Unallocated Disbursement	A-4	54,470.79	
Return of Prior Year Revenue	A-4	13,525.71	69.68
Interfund Advanced	A	164,818.19	-
Total Expenditures		<u>91,677,414.26</u>	<u>90,424,250.98</u>
Statutory Excess in Fund Balance		714,729.52	1,806,619.25
Fund Balance, Beginning of Year	A	<u>3,492,592.25</u>	<u>3,645,973.00</u>
		4,207,321.77	5,452,592.25
Decreased by:			
Utilization as Anticipated Revenue	A-1, A-2	<u>1,940,000.00</u>	<u>1,960,000.00</u>
Fund Balance, End of Year	A	<u>\$ 2,267,321.77</u>	<u>\$ 3,492,592.25</u>

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-2
Sheet # 1

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,940,000.00		\$ 1,940,000.00	
Miscellaneous Revenues					
Licenses:					
Alcoholic Beverages	A-12	20,000.00		23,200.00	\$ 3,200.00
Fees and Permits	A-12	180,000.00		165,926.00	(14,074.00)
Municipal Court - Fines and Costs	A-12	50,000.00		84,882.10	34,882.10
Interest and Costs on Taxes	A-12	155,000.00		163,871.89	8,871.89
Interest on Investments and Deposits	A-2	89,000.00		420,050.45	331,050.45
Anticipated Utility Operating Surplus	A-12	250,000.00		250,000.00	-
Energy Receipts Tax	A-12	1,431,538.00		1,431,538.38	0.38
Garden State Trust Fund	A-12	3,962.00		4,879.00	917.00
Municipal Relief Funds	A-24	74,162.00		74,161.98	(0.02)
Uniform Construction Code Fees	A-12	675,000.00		536,221.80	(138,778.20)
Interlocal Agreement - Readington Township Board of					
Education - Police	A-12	200,000.00		51,534.55	(148,465.45)
Recycling Tonnage Grant	A-25	14,445.12		14,445.12	-
County History Partnership Grant	A-25	3,800.00		3,800.00	-
Alcohol Education, Rehabilitation, & Enforcement Fund	A-25		\$ 4,413.01	4,413.01	-
National Opioid Settlement	A-25, A-29	28,121.53	10,066.56	38,188.09	-
New Jersey American Water Environmental Grant Program	A-25		10,000.00	10,000.00	-
Body Armor Fund	A-29	1,789.21		1,789.21	-
Local Recreation Improvement Grant	A-25		50,000.00	50,000.00	-
Clean Communities	A-25		64,006.65	64,006.65	-
Stormwater Assistance Grant	A-25		15,000.00	15,000.00	-
Reserve for Payment of Debt	A-12	89,422.61		89,422.61	-
Reserve for Road Improvements - General Capital Fund	A-12	83,019.48		83,019.48	-
Uniform Safety Act	A-12	30,000.00		35,642.66	5,642.66
Adult Recreation Cannabis Tax	A-12	561,266.00		522,745.46	(38,520.54)
Total Miscellaneous Revenues	A-1	\$ 3,940,525.95	\$ 153,486.22	\$ 4,138,738.44	\$ 44,726.27

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-2
Sheet # 2

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess</u>
<u>General Revenue</u>					
Receipts from Delinquent Taxes	A-1	\$ 680,000.00		\$ 729,399.04	\$ 49,399.04
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	16,715,900.91	-	17,084,778.57	368,877.66
Budget Totals	A-3	<u>\$ 23,276,426.86</u>	<u>\$ 153,486.22</u>	23,892,916.05	<u>\$ 463,002.97</u>
Non-Budget Revenues	A-1			<u>110,217.07</u>	
Total Revenue				<u>\$ 24,003,133.12</u>	

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-2
Sheet # 3

	<u>Ref.</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenues from Collections	A-1, A-7	\$ 85,154,983.45
Allocated to Regional School, Local School District, County, and Open Space Taxes	A-1	<u>68,844,195.88</u>
		16,310,787.57
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>773,991.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 17,084,778.57</u>
ANALYSIS OF REALIZED DELINQUENT TAXES		
Delinquent Taxes	A-2, A-7	<u>\$ 729,399.04</u>
ANALYSIS OF REALIZED INTEREST ON INVESTMENTS AND DEPOSITS		
Received in Current Fund	A-12	\$ 355,433.04
Due from Animal Control Trust Fund	A-15	284.14
Due from Other Trust Fund	A-15	24,951.91
Due from General Capital Fund	A-15	<u>39,381.36</u>
	A-2	<u>\$ 420,050.45</u>
Miscellaneous Revenue Not Anticipated:		
Cable Franchise Fee		\$ 25,339.80
Tax Collector		2,203.11
Police Outside Employment - Administrative Fee		25,282.40
Police Outside Employment - Vehicle Use		8,443.75
2% Administrative Fee - Senior Citizens/Veterans Deductions		1,868.69
Payment in Lieu of Taxes		24,403.39
Credit Card Convenience Fee		257.76
Klein Recycling		618.65
Miscellaneous Refunds		4,093.43
Saums Rental		1,500.00
Charlton Rental		8,040.00
Darts Mill Rental		2,700.00
Other Miscellaneous		<u>5,466.09</u>
	A-1, A-4	<u>\$ 110,217.07</u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-3
Sheet # 1

Appropriation	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
OPERATIONS WITHIN "CAPS"					
General Administration					
Salaries and Wages	\$ 429,900.00	\$ 430,000.00	\$ 429,996.14	\$ 3.86	
Other Expenses					
Elections	9,500.00	9,500.00	8,753.81	746.19	
Miscellaneous Other Expenses	131,100.00	125,800.00	125,782.15	17.85	
Mayor and Township Committee					
Salaries and Wages	47,000.00	47,000.00	46,231.12	768.88	
Other Expenses	1,900.00	1,900.00	1,900.00	-	
Revenue Administration					
Salaries and Wages	104,000.00	104,000.00	104,000.00	-	
Other Expenses	15,200.00	15,200.00	13,942.98	1,257.02	
Financial Administration					
Salaries and Wages	258,500.00	258,500.00	241,049.34	17,450.66	
Other Expenses	17,100.00	17,790.00	17,021.65	768.35	
Audit Services					
Other Expenses	35,000.00	34,310.00	34,310.00	-	
Assessment of Taxes					
Salaries and Wages	124,200.00	121,700.00	119,720.63	1,979.37	
Other Expenses					
Revision of Tax Map	3,515.00	3,515.00	1,454.00	2,061.00	
Miscellaneous Other Expenses	6,650.00	6,650.00	5,634.12	1,015.88	
Legal Services and Costs					
Other Expenses	620,000.00	710,000.00	694,400.79	15,599.21	
Municipal Court					
Salaries and Wages	132,300.00	138,300.00	138,158.21	141.79	
Other Expenses	15,200.00	14,700.00	14,482.10	217.90	
Public Defender					
Other Expenses	10,000.00	12,500.00	12,246.50	253.50	
Engineering Services and Costs					
Other Expenses	156,750.00	218,750.00	201,233.14	17,516.86	
Museum Committee					
Salaries and Wages	26,624.00	26,624.00	23,778.00	2,846.00	
Other Expenses	14,250.00	14,250.00	14,007.30	242.70	
Historical Preservation Commission					
Other Expenses	5,500.00	5,500.00	2,726.10	2,773.90	

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-3
Sheet # 2

Appropriation	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS (Continued)					
OPERATIONS WITHIN "CAPS" (Continued)					
Planning Board					
Salaries and Wages	\$ 12,789.00	\$ 12,789.00	\$ 12,789.00	-	
Other Expenses	7,220.00	7,220.00	7,189.24	\$ 30.76	
Board of Adjustment					
Salaries and Wages	117,789.00	117,789.00	116,145.04	1,643.96	
Other Expenses	8,550.00	8,550.00	7,895.78	654.22	
Environmental Health Commission					
Other Expenses					
Consultants	114,000.00	99,000.00	83,695.52	15,304.48	
Miscellaneous Other Expenses	2,375.00	2,375.00	983.58	1,391.42	
Insurance					
General Liability	530,882.00	488,882.00	488,645.00	237.00	
Employee Group Insurance	2,397,961.00	2,482,961.00	2,465,715.26	17,245.74	
Worker's Compensation	230,126.00	230,126.00	230,089.00	37.00	
Health Benefit Waiver	10,000.00	-	-	-	
Police					
Salaries and Wages	3,354,840.00	3,354,840.00	3,319,825.27	35,014.73	
Other Expenses	237,230.00	212,230.00	186,898.19	25,331.81	
Emergency Management Services					
Salaries and Wages	7,850.00	7,850.00	7,273.06	576.94	
Other Expenses	7,600.00	7,600.00	2,740.79	4,859.21	
Aid to Volunteer Ambulance Companies					
Whitehouse First Aid Organization	90,000.00	90,000.00	89,021.64	978.36	
Fire					
Other Expenses					
Aid to Volunteer Fire Co.	161,526.00	161,526.00	161,526.00	-	
Purchase of Equipment Volunteer Fire Co.	99,507.00	107,007.00	102,229.32	4,777.68	
Training Fire Department Personnel	16,000.00	16,000.00	16,000.00	-	
Uniform Fire Safety Act					
Salaries and Wages	15,235.00	15,235.00	12,184.60	3,050.40	
Supplemental Fire Service Program					
Other Expenses	9,375.00	9,375.00	6,211.82	3,163.18	
Municipal Prosecutor					
Other Expenses	45,000.00	52,000.00	46,679.03	5,320.97	
Road, Repair and Maintenance					
Salaries and Wages	1,425,734.00	1,353,434.00	1,285,340.07	68,093.93	
Other Expenses	346,750.00	346,750.00	303,482.29	43,267.71	
Waste Collection/Recycling					
Other Expenses	875,000.00	875,000.00	743,116.54	131,883.46	
Snow Removal					
Other Expenses	99,450.00	99,450.00	54,700.66	44,749.34	
Tree Care					
Other Expenses	32,500.00	32,500.00	32,500.00	-	
Buildings and Grounds					
Salaries and Wages	304,784.00	306,784.00	306,338.89	445.11	
Other Expenses	99,750.00	107,250.00	106,166.89	1,083.11	
Board of Health					
Salaries and Wages	30,000.00	30,000.00	26,668.55	3,331.45	
Other Expenses	38,000.00	38,000.00	26,265.59	11,734.41	

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-3
Sheet # 3

Appropriation	Appropriations		Expended		Unexpended Balances Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS (Continued)					
OPERATIONS WITHIN "CAPS" (Continued)					
Vehicle Maintenance					
Salaries and Wages	\$ 231,727.00	\$ 231,727.00	\$ 92,688.02	\$ 139,038.98	
Other Expenses	220,125.00	220,125.00	214,536.21	5,588.79	
Administration of Public Assistance					
Salaries and Wages	139,000.00	140,000.00	139,932.40	67.60	
Other Expenses	4,750.00	4,750.00	1,902.63	2,847.37	
Expense of Participation of Free County Library					
Salaries and Wages	150,772.00	150,772.00	136,225.02	14,546.98	
Other Expenses	5,225.00	5,225.00	5,121.40	103.60	
Animal Control Regulations					
Other Expenses	2,850.00	2,850.00	830.00	2,020.00	
Senior Citizens Transportation					
Other Expenses	5,700.00	5,700.00	3,850.92	1,849.08	
Recreation Services and Programs					
Salaries and Wages	195,574.00	195,574.00	167,200.74	28,373.26	
Other Expenses	4,908.00	4,908.00	2,399.50	2,508.50	
Maintenance of Parks					
Other Expenses	112,575.00	112,575.00	107,341.73	5,233.27	
Construction Code Official					
Salaries and Wages	328,032.00	283,032.00	279,770.37	3,261.63	
Other Expenses	79,000.00	43,000.00	40,286.71	2,713.29	
Utility Expense and Bulk Purchases					
Fire Hydrant Service	115,150.00	115,150.00	105,427.82	9,722.18	
Electricity	110,000.00	110,000.00	108,165.61	1,834.39	
Street Lighting	44,000.00	44,000.00	35,447.43	8,552.57	
Telephone	75,000.00	85,000.00	82,506.32	2,493.68	
Natural Gas	45,000.00	18,000.00	13,283.56	4,716.44	
Gasoline	196,138.00	196,138.00	125,258.03	70,879.97	
Celebration of Public Events					
Other Expenses	7,500.00	7,500.00	1,885.14	5,614.86	
Total Operations Within "CAPS"	14,965,038.00	14,965,038.00	14,163,204.26	801,833.74	
Contingent	5,000.00	5,000.00	1,380.00	3,620.00	
Total Operations Including Contingent Within "CAPS"	14,970,038.00	14,970,038.00	14,164,584.26	805,453.74	
Detail:					
Salaries and Wages	7,436,650.00	7,185,950.00	6,865,382.07	320,567.93	
Other Expenses	7,533,388.00	7,784,088.00	7,299,202.19	484,885.81	

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-3
Sheet # 4

Appropriation	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS (Continued)					
DEFERRED CHARGES & STATUTORY EXPENDITURES					
Statutory Expenditures - Contributions to:					
Social Security System (O.A.S.I.)	\$ 602,570.00	\$ 602,570.00	\$ 535,435.11	\$ 67,134.89	
Public Employees' Retirement System	529,263.00	529,263.00	529,263.00	-	
Defined Contribution Retirement Program	20,000.00	20,000.00		20,000.00	
Unemployment Insurance	10,000.00	10,000.00	3,577.01	6,422.99	
Police and Firemen's Retirement System of N.J.	938,322.00	938,322.00	938,322.00	-	
Total Deferred Charges and Statutory Expenditures	<u>2,100,155.00</u>	<u>2,100,155.00</u>	<u>2,006,597.12</u>	<u>93,557.88</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>17,070,193.00</u>	<u>17,070,193.00</u>	<u>16,171,181.38</u>	<u>899,011.62</u>	
OPERATIONS - EXCLUDED FROM "CAPS"					
Length of Service Awards Program (LOSAP)	80,000.00	80,000.00	72,000.00	8,000.00	
Employee Group Health	305,792.00	305,792.00	305,792.00		
Police and Firemen's Retirement System of N.J.	105,078.00	105,078.00	105,078.00		
Gasoline	28,862.00	28,862.00	28,862.00		
Workers Compensation	4,824.00	4,824.00	4,824.00		
Interlocal Agreement - Readington Township Board of Education - Police	200,000.00	200,000.00	-	200,000.00	
Interlocal Agreement - Raritan Township Fire Subcode and Fire Prevention	100,000.00	100,000.00	18,155.25	81,844.75	
Matching Funds for Grants	1.00	1.00		1.00	
Recycling Tonnage Grant	14,445.12	14,445.12	14,445.12		
National Opioid Settlement	28,121.53	38,188.09	38,188.09		
Local Recreation Improvement Grant		50,000.00	50,000.00		
Alcohol Education, Rehabilitation, & Enforcement Fund		4,413.01	4,413.01		
New Jersey American Water Environmental Grant Program		10,000.00	10,000.00		
Hunterdon County History Partnership	3,800.00	3,800.00	3,800.00		
Body Armor Replacement Fund	1,789.21	1,789.21	1,789.21		
Stormwater Assistance Grant		15,000.00	15,000.00		
Clean Communities		64,006.65	64,006.65		
Total Operations - Excluded from "CAPS"	<u>872,712.86</u>	<u>1,026,199.08</u>	<u>736,353.33</u>	<u>289,845.75</u>	
Detail:					
Salaries and Wages	200,000.00	200,000.00	-	200,000.00	
Other Expenses	<u>672,712.86</u>	<u>826,199.08</u>	<u>736,353.33</u>	<u>89,845.75</u>	

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-3
Sheet # 5

Appropriation	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	\$ 93,590.00	\$ 93,590.00	\$ 93,590.00		
Road Repairs and Improvements	300,000.00	300,000.00	300,000.00		
Total Capital Improvements	<u>393,590.00</u>	<u>393,590.00</u>	<u>393,590.00</u>		
MUNICIPAL DEBT SERVICE					
Payment of Bond Principal	2,445,000.00	2,445,000.00	2,445,000.00		
Interest on Bonds	1,141,450.00	1,141,450.00	1,087,153.76		\$ 54,296.24
Interest on Notes	268,590.00	268,590.00	268,590.00		-
Green Trust Loan Program: Loan Repayments of Principal and Interest	60,900.00	60,900.00	59,177.85		1,722.15
Total Municipal Debt Service	<u>3,915,940.00</u>	<u>3,915,940.00</u>	<u>3,859,921.61</u>		<u>56,018.39</u>
DEFERRED CHARGES					
Special Emergency	100,000.00	100,000.00	100,000.00		
Deferred Charges to Future Taxation - Unfunded:					
Ordinance 03-04/04-27	33,000.00	33,000.00	33,000.00		
Ordinance 22-34	117,000.00	117,000.00	117,000.00		
Total Deferred Charges	<u>250,000.00</u>	<u>250,000.00</u>	<u>250,000.00</u>		
Total Appropriations Excluded from "CAPS"	<u>5,432,242.86</u>	<u>5,585,729.08</u>	<u>5,239,864.94</u>	\$ 289,845.75	56,018.39
Sub-Total General Appropriations	<u>22,502,435.86</u>	<u>22,655,922.08</u>	<u>21,411,046.32</u>	<u>1,188,857.37</u>	<u>56,018.39</u>
RESERVE FOR UNCOLLECTED TAXES	<u>773,991.00</u>	<u>773,991.00</u>	<u>773,991.00</u>		
Total General Appropriations	<u>\$ 23,276,426.86</u>	<u>\$ 23,429,913.08</u>	<u>\$ 22,185,037.32</u>	<u>\$ 1,188,857.37</u>	<u>\$ 56,018.39</u>
	<u>Ref.</u>	<u>Below</u>	<u>Below</u>	<u>Below</u>	<u>A</u>
Original Budget	A-2	\$ 23,276,426.86			
Appropriation by 40A:4-87	A-2	<u>153,486.22</u>			
	Above	<u>\$ 23,429,913.08</u>			
Cash Disbursed	A-4		\$ 20,722,694.90		
Reserve for Uncollected Taxes	A-2		773,991.00		
Transferred to Grants Fund	A-28		201,642.08		
Due to General Capital Fund	A-15		150,000.00		
Encumbrances	A-25		236,709.34		
Deferred Charges	A-22		<u>100,000.00</u>		
	Above		<u>\$ 22,185,037.32</u>		

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Animal Control Trust Fund</u>			
Cash and Cash Equivalents	B-3	\$ 17,133.23	\$ 16,868.68
		<u>17,133.23</u>	<u>16,868.68</u>
<u>Other Trust Fund</u>			
Cash and Cash Equivalents	B-3	4,681,879.92	4,267,209.02
Due from Current Fund			776.50
		<u>4,681,879.92</u>	<u>4,267,985.52</u>
<u>Open Space Trust Fund</u>			
Cash and Cash Equivalents	B-3	839,384.61	581,899.19
Due from General Capital Fund	B-13	30,883.98	
		<u>870,268.59</u>	<u>581,899.19</u>
		<u>\$ 5,569,281.74</u>	<u>\$ 4,866,753.39</u>
 <u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Trust Fund</u>			
Due to Current Fund	B-12	\$ 284.14	
Prepaid Licenses	B-5	8,776.80	\$ 8,335.20
Due to State of New Jersey	B-6	904.20	859.80
Reserve for Animal Control Expenditures	B-4	7,168.09	7,673.68
		<u>17,133.23</u>	<u>16,868.68</u>
<u>Other Trust Fund</u>			
Due to Current Fund	B-7	132,375.07	
Miscellaneous Reserves	B-8	4,549,504.85	4,267,985.52
		<u>4,681,879.92</u>	<u>4,267,985.52</u>
<u>Open Space Trust Fund</u>			
Reserve for Open Space/Parks/Recreation	B-11	789,319.92	556,395.19
Due to Current Fund	B-9	32,158.98	
Reserve for Wildlife Management	B-10	48,789.69	25,504.00
		<u>870,268.59</u>	<u>581,899.19</u>
		<u>\$ 5,569,281.74</u>	<u>\$ 4,866,753.39</u>

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
OPEN SPACE TRUST FUND

STATEMENT OF REVENUES -REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

B-1

	<u>Reference</u>	<u>2023 Budget</u>	<u>2023 Realized</u>	<u>Variance</u>
Amount to be Raised by Taxation	B-1	\$ 657,900.00	\$ 661,468.23	\$ 3,568.23
Non-Budget Revenue - interest		-	29,342.39	29,342.39
	B-1, B-11	<u>\$ 657,900.00</u>	<u>\$ 690,810.62</u>	<u>\$ 32,910.62</u>

TOWNSHIP OF READINGTON
OPEN SPACE TRUST FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

B-2

	<u>Reference</u>	<u>2023 Budget</u>	<u>2023 Paid or Charged</u>	<u>Variance</u>
Debt Service				
Payment of Bond Principal		\$ 400,000.00	\$ 400,000.00	
Reserve for Future Use		257,900.00	57,885.89	\$ 200,014.11
	B-1, B-11	<u>\$ 657,900.00</u>	<u>\$ 457,885.89</u>	<u>\$ 200,014.11</u>
Expended	B-3		\$ 422,158.68	
Due to Current Fund	B-9		<u>35,727.21</u>	
			<u>\$ 457,885.89</u>	

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

C

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash and Cash Equivalents	C-2, C-3	\$ 3,488,209.20	\$ 3,156,163.34
Grants Receivable	C-4	104,730.00	115,330.69
Due from Current Fund	C-14	3,240,200.64	
Due from Federal and State Grant Fund	C-19	17,093.00	17,093.00
Deferred Charges to Future Taxation:			
Funded	C-5	34,396,869.94	22,891,787.81
Unfunded	C-6	7,464,612.00	18,146,312.00
		<u> </u>	<u> </u>
Total Assets		<u>\$ 48,711,714.78</u>	<u>\$ 44,326,686.84</u>
LIABILITIES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 34,368,000.00	\$ 22,803,000.00
Bond Anticipation Notes	C-16	3,892,000.00	15,348,000.00
Green Acres Loans Payable	C-17	28,869.94	88,787.81
Capital Improvement Fund	C-8	13,436.04	8,445.04
Improvement Authorizations:			
Funded	C-7	2,445,111.19	677,690.14
Unfunded	C-7	4,083,415.15	2,845,619.45
Contracts Payable	C-9	947,481.70	2,272,177.13
Reserve for Emergency Vehicles	C-13	4,240.00	4,240.00
Reserve for Road Improvements		-	83,019.48
Reserve for Debt Service	C-12	2,769,754.26	89,422.61
Reserve for Green Trust	C-18	25,601.22	25,588.42
Due to Open Space Trust Fund	C-15	30,883.98	
Fund Balance	C-1	102,921.30	80,696.76
		<u> </u>	<u> </u>
Total Liabilities and Fund Balance		<u>\$ 48,711,714.78</u>	<u>\$ 44,326,686.84</u>
Bonds and Notes Authorized But Not Issued	C-20	<u>\$ 3,572,612.00</u>	<u>\$ 2,798,312.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF CHANGES IN FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

C-1

	<u>Ref.</u>		
Balance, December 31, 2022	C		\$ 80,696.76
Increased by:			
Premium on Notes	C-2	\$ 17,008.04	
Premium on Bonds	C-2	<u>5,216.50</u>	
			<u>22,224.54</u>
Balance, December 31, 2023	C		<u>\$ 102,921.30</u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

D

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
OPERATING FUND			
Cash	D-4	\$ 1,246,831.41	\$ 1,462,747.11
Due from Current Fund	D-12	173,358.91	
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-5	159,215.33	118,826.22
Sewer Utility Liens	D-10	950.60	490.60
		<hr/>	<hr/>
Total Operating Fund		<u>\$ 1,580,356.25</u>	<u>\$ 1,582,063.93</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-3, D-6	\$ 208,679.59	\$ 269,274.61
Accounts Payable - Vendors	D-6, D-7	54,912.07	29,550.89
Sewer Overpayments	D-8	487.74	1,403.91
Prepaid Rents	D-9	3,759.71	5,266.85
Reserve for Sewer Expansion	D-11	226,058.56	218,819.84
		<hr/>	<hr/>
		493,897.67	524,316.10
 Reserve for Receivables	 D	 160,165.93	 119,316.82
Fund Balance	D-1	926,292.65	938,431.01
		<hr/>	<hr/>
Total Operating Fund		<u>\$ 1,580,356.25</u>	<u>\$ 1,582,063.93</u>

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

D-1

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-2	\$ 469,186.00	\$ 193,000.00
Rents	D-2	1,521,860.52	1,529,212.71
Miscellaneous Revenue Anticipated	D-2	58,486.21	25,019.44
User Fees from Contracts	D-2	517,216.26	493,612.78
Other Credits to Income:			
Sewer Overpayments Cancelled	D-8	143.00	754.87
Unexpended Balance of Appropriation Reserves	D-6	199,341.65	124,356.05
Total Income		2,766,233.64	2,365,955.85
EXPENDITURES			
Operating	D-3	371,153.00	240,000.00
Capital Outlay	D-3	35,000.00	90,000.00
Statutory Expenditures	D-3	10,033.00	-
Service Fees	D-3	1,643,000.00	1,553,000.00
Total Expenditures		2,059,186.00	1,883,000.00
Statutory Excess to Fund Balance		707,047.64	482,955.85
Fund Balance, Beginning of Year	D	938,431.01	1,017,295.00
		1,645,478.65	1,500,250.85
Decreased by:			
Utilized as Anticipated Revenue:			
Creation of Sewer Expansion Reserve	D-1		218,819.84
Sewer Utility Operating Budget	D-1	469,186.00	193,000.00
Current Fund Budget	D-3	250,000.00	150,000.00
Fund Balance, End of Year	D	\$ 926,292.65	\$ 938,431.01

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

D-2

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	D-1	\$ 469,186.00	\$ 469,186.00	
Sewer User Charges	D-1, D-5	1,435,000.00	1,521,860.52	\$ 86,860.52
User Fees from Other Contracts	D-1, D-4	400,000.00	517,216.26	117,216.26
Miscellaneous	D-1, D-4	5,000.00	58,486.21	53,486.21
		\$ 2,309,186.00	\$ 2,566,748.99	\$ 257,562.99
	D-3	\$ 2,309,186.00	\$ 2,566,748.99	\$ 257,562.99

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

D-3

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 131,153.00	\$ 131,153.00	\$ 73,632.94	\$ 57,520.06
Other Expenses	240,000.00	240,000.00	239,554.86	445.14
Service Fees - RLSA	1,253,000.00	1,343,000.00	1,341,162.00	1,838.00
Service Fees - RTMUA	300,000.00	300,000.00	179,571.31	120,428.69
 Total Operating	 <u>1,924,153.00</u>	 <u>2,014,153.00</u>	 <u>1,833,921.11</u>	 <u>180,231.89</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	125,000.00	35,000.00	10,952.38	24,047.62
 Surplus (General Budget)	 <u>250,000.00</u>	 <u>250,000.00</u>	 <u>250,000.00</u>	 <u></u>
STATUTORY EXPENDITURES				
Social Security System (O.A.S.I)	10,033.00	10,033.00	5,632.92	4,400.08
 Total Statutory Expenditures	 <u>10,033.00</u>	 <u>10,033.00</u>	 <u>5,632.92</u>	 <u>4,400.08</u>
	 <u>\$ 2,309,186.00</u>	 <u>\$ 2,309,186.00</u>	 <u>\$ 2,100,506.41</u>	 <u>\$ 208,679.59</u>
 <u>Ref.</u>	 D-2	 D-2	 Below	 D
Cash Disbursements	D-4		\$ 2,045,594.34	
Accounts Payable - Vendors	D-7		<u>54,912.07</u>	
 Above			 <u>\$ 2,100,506.41</u>	

See accompanying notes to financial statements.

TOWNSHIP OF READINGTON
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 and 2022

E

	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 35,550,258.00	\$ 35,550,258.00
Buildings and Building Improvements	8,655,005.00	8,453,199.00
Equipment	<u>15,311,896.00</u>	<u>13,623,551.00</u>
	<u>\$ 59,517,159.00</u>	<u>\$ 57,627,008.00</u>
Investment in Fixed Assets	<u>\$ 59,517,159.00</u>	<u>\$ 57,627,008.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 and 2022

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Township of Readington, Hunterdon County, New Jersey (the "Township") was incorporated in 1798 and operates under an elected Mayor and Council form of government. The five Committee members are elected at-large, for staggered terms of three years. The Committee elects a Mayor and Deputy Mayor each for a term of one year. The Mayor is the Chief Executive Officer of the Township and as such presides over all public meetings and makes appointments to various boards. The Township Council exercises all legislative powers including the final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Township Administrator is appointed by the Township Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Township affairs and for the day to day operations of the Township. The Township Administrator is the Chief Administrative Officer for the Township. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB statement No. 14 as amended by GASB Statement No. 61 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government. The municipalities in the State of New Jersey do not prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is a regulatory basis of accounting other than US GAAP. 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 separate funds, which differ from the fund structure required by US GAAP.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by N.J.S.A. 40A:5-5.

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Basis of Presentation

The Township has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds – Trust funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individuals, private organizations, or other governments are recorded in Trust Funds.

Animal Control Trust Fund – This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A. 4:19-15.11.

Other Trust Fund – This fund is established to account for the assets and resources, which are held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Township as collateral.

Open Space Trust Fund – This fund is used to account for the resources which have accumulated from a dedicated tax to be used for the preservation of open space, recreation and farmland.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Sewer Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township's sanitary sewerage system and the assets and liabilities related to such activities.

General Fixed Assets Account Group – This account group is used to account for all general fixed assets of the Township. The Township's infrastructure is not reported in the account group.

Basis of Accounting

The Township follows the regulatory basis of accounting. Under this method of accounting, revenues, except for Federal and State Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units.

The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8%

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 and 2022

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

per annum, or 18% on any delinquency amount in excess of \$1,500. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the 11th month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. US GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. US GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Sewer Utility Rents - Utility charges are levied quarterly based upon a consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Sewer Utility Operating Fund. US GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e. when they are both levied and available).

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received, for purposes normally financed through the Current Fund, are recognized when anticipated in the Township's budget. US GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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 per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

Trust Funds (Except Open Space Trust Fund)
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than the last day in February of the fiscal year. The budget is required to be adopted no later than April 20, and prior to adoption, must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 and 2022

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. In addition, the governing body approved several budget transfers during 2023.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the governing body. US 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, as well as expenditures related to compensated absences and claims and judgments, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under US GAAP.

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to N.J.S.A. 40A:4-39 for the future payment of compensated absences. US GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Interfund Receivables - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. US GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Inventories - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. US GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. US GAAP requires that all investments be reported at fair value.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. US GAAP requires such amounts to be

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, the Township has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$5,000.00 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are 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 are not capitalized.

Fixed Assets purchased after December 31, 2016 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

Fixed Assets purchased prior to December 31, 2016 are stated as follows:

- | | |
|---------------------------------------|---|
| ▪ Land and Buildings - Assessed Value | ▪ Machinery and Equipment - Estimated Historical Cost |
|---------------------------------------|---|

No depreciation has been provided for in the financial statements.

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

US GAAP requires that capital assets be recorded in proprietary-type funds, as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, US GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68" require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 68 financial information published by the New Jersey Department of Treasury, Division of Pensions and Benefits. As of the date of audit, the 2022 Public Employees' Retirement System Report and the 2022 Police and Firemen's Retirement System Report were the most recent reports available and therefore information for that year was disclosed accordingly. Refer to Note 8 for these disclosures.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Post-Employment Benefits Other Than Pensions - The requirements of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)" that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow GAAP, the GASB did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs. AS it relates to the State of New Jersey multi-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of the audit, the 2022 Report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 9 for these disclosures.

Length of Service Awards Program (LOSAP) - Financial reporting standards established by the DLGS/Division exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Township's LOSAP Program, a deferred income program created pursuant to Section 457 of the Internal Revenue Code for the benefit of the volunteers, is not reported as part of the Township's basic financial statements. As the LOSAP Plan's assets remain the property of the Township until withdrawn by participants, GAAP requires that the Plan's financial information be included in the Township's basic financial statements. See Note 18 regarding the availability of LOSAP Plan financial information.

Use of Estimates -The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Basic Financial Statements

GASB also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with US GAAP. The Township presents the financial statements listed in the table of contents, which are required by the Division, to be referenced to the supplementary schedules. This practice differs from reporting requirements under US GAAP.

Reclassifications - Certain reclassifications may have been made to the December 31, 2022 balances to conform to the December 31, 2023 presentation.

2. DEPOSITS AND INVESTMENTS

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

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

2. DEPOSITS AND INVESTMENTS (continued)

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

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.

Bank balances are insured up to \$250,000.00 in the aggregate by the FDIC for each bank for periods ending December 31, 2023 and 2022. At December 31, 2023 and 2022, the book value of the Township's deposits was \$20,485,765.11 and \$19,932,364.74, respectively.

The Township's deposits, which are displayed on the various fund Balance Sheet as "cash and cash equivalents", are categorized as:

	Book Balance	
	December 31, 2023	December 31, 2022
Cash (Demand Accounts)	\$ 20,485,215.11	\$ 19,931,714.74
Change Funds (On-Hand)	550.00	650.00
	\$ 20,485,765.11	\$ 19,932,364.74

	Bank Balance	
	December 31, 2023	December 31, 2022
FDIC Insured	\$ 500,000.00	\$ 750,000.00
GUDPA Insured	20,457,589.76	19,578,274.46
Uninsured	161,703.27	127,957.01
	\$ 21,119,293.03	\$ 20,456,231.47

\$161,703.27 and \$127,957.01 was held in the Township's agency accounts and are not covered by GUDPA at December 31, 2023 and 2022, respectively.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

2. DEPOSITS AND INVESTMENTS (continued)

Investments

New Jersey Statutes permit the Township to purchase the following types of securities:

- a. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- b. Government money market mutual funds;
- c. 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;
- d. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- e. Bonds or other obligations, having a maturity date more than 397 days from the date of purchase, issued by New Jersey School Districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the division of Local Government Services in the Department of Community Affairs for investment by local units;
- f. Local government investment pools;
- g. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- h. Agreements for the repurchase of fully collateralized securities if:
 - i. The underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - ii. The custody of collateral is transferred to a third party;
 - iii. The maturity of the agreement is not more than 30 days;
 - iv. The underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - v. A master repurchase agreement providing for the custody and security of collateral is executed.

The Township did not have any investments as of December 31, 2023 and 2022.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

3. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the General Capital Fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Township's debt as of December 31, is summarized as follows:

	December 31,	
	2023	2022
<u>Issued:</u>		
General:		
Bonds, Notes and Loans	\$ 38,288,869.94	\$ 38,239,787.81
Total Issued	38,288,869.94	38,239,787.81
 Less: Reserve for Debt Service	 2,769,754.26	 89,422.61
 Subtotal	 35,519,115.68	 38,150,365.20
 <u>Authorized but not Issued:</u>		
General:		
Bonds and Notes	3,572,612.00	2,798,312.00
Total Authorized but not Issued	3,572,612.00	2,798,312.00
 Total Bonds, Notes and Loans Issued and Authorized but Not Issued	 \$ 39,091,727.68	 \$ 40,948,677.20

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.038% at December 31, 2023.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 6,380,000.00	\$ 6,380,000.00	
General Debt	41,861,481.94	2,769,754.26	\$ 39,091,727.68
Total General Debt	\$ 48,241,481.94	\$ 9,149,754.26	\$ 39,091,727.68

Net debt, \$39,092,595.63 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,767,213,792.00 equals 1.038%.

The Township's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2023 as follows:

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 131,852,482.72
Net Debt	(39,091,727.68)
Remaining Statutory Borrowing Power	\$ 92,760,755.04

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

3. MUNICIPAL DEBT (continued)

General Obligation Bonds

The Township levies taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31, 2023 and 2022 are as follows:

	2023	2022
<u>General Obligation Bonds</u>		
\$7,945,000, 2014 Refunding Bonds, due in annual installments of \$935,000 to \$940,000 through July 2025, interest at 4.00% to 5.00%	\$ 1,875,000.00	\$ 2,825,000.00
\$9,573,000, 2015 General Improvement Bonds, due in annual installments of \$750,000 to \$1,000,000 through February 2028, interest at 3.00%	4,548,000.00	5,273,000.00
\$14,184,000, 2017 General Improvement Bonds; due in annual installments of \$350,000 to \$450,000 through February 2026, interest at 5.00%	1,150,000.00	1,500,000.00
\$6,750,000, 2017 Refunding Bonds; due in annual installments of \$150,000 to \$865,000 through February 2031, interest at 3.00% to 5.00%	6,060,000.00	6,430,000.00
\$6,278,000, 2018 General Improvement Bonds; due in annual installments of \$245,000 to \$300,000 through March 2026, interest at 4.00%	795,000.00	1,030,000.00
\$6,121,000, 2020 General Improvement Bonds; due in annual installments of \$225,000 to \$350,000 through March 2041, interest at 2.00% to 4.00%	5,530,000.00	5,745,000.00
\$14,410,000, 2023 General Improvement Bonds; due in annual installments of \$385,000 to \$760,000 through April 2043, interest at 3.00% to 4.00%	14,410,000.00	
	\$ 34,368,000.00	\$ 22,803,000.00

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

3. MUNICIPAL DEBT (continued)

The Township’s principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Year	General Capital		Grand Total
	Principal	Interest	
2024	\$ 3,320,000.00	\$ 1,269,654.00	\$ 4,589,654.00
2025	3,443,000.00	1,115,859.00	4,558,859.00
2026	3,590,000.00	1,024,144.00	4,614,144.00
2027	2,880,000.00	840,569.00	3,720,569.00
2028	2,900,000.00	726,319.00	3,626,319.00
2029-2033	8,035,000.00	2,406,294.00	10,441,294.00
2034-2038	5,425,000.00	1,354,070.00	6,779,070.00
2039-2043	4,775,000.00	418,188.00	5,193,188.00
	<u>\$ 34,368,000.00</u>	<u>\$ 9,155,097.00</u>	<u>\$ 43,523,097.00</u>

Changes in Long-Term and Short-Term Municipal Debt

The Township’s long-term capital debt activity for 2023 and 2022 is as follows:

	Balance 12/31/2022	Additions	Matured	Balance 12/31/2023	Due Within One Year
Serial Bonds:					
General Capital Fund	\$ 22,803,000.00	\$ 14,410,000.00	\$ 2,845,000.00	\$ 34,368,000.00	\$ 3,320,000.00
Loans Payable:					
General Capital - Green Acres Loan	88,787.81		59,917.87	28,869.94	28,869.94
Total	<u>\$ 22,891,787.81</u>	<u>\$ 14,410,000.00</u>	<u>\$ 2,904,917.87</u>	<u>\$ 34,396,869.94</u>	<u>\$ 3,348,869.94</u>
	Balance 12/31/2021	Additions	Matured	Balance 12/31/2022	Due Within One Year
Serial Bonds:					
General Capital Fund	\$ 25,553,000.00		\$ 2,750,000.00	\$ 22,803,000.00	\$ 2,845,000.00
Loans Payable:					
General Capital - Green Acres Loan	135,933.00		47,145.19	88,787.81	59,050.00
Total	<u>\$ 25,688,933.00</u>	<u>\$ -</u>	<u>\$ 2,797,145.19</u>	<u>\$ 22,891,787.81</u>	<u>\$ 2,904,050.00</u>

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

3. MUNICIPAL DEBT (continued)

Green Acres Loans:

The Township has entered into various loan agreements with the State of New Jersey for the financing related to the acquisition of various properties and infrastructure improvements. The Township levies ad valorem taxes to pay debt service on loans issued. The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Year	Green Acres Loan		Total
	Principal	Interest	
2024	\$ 28,869.94	\$ 437.50	\$ 29,307.44
	\$ 28,869.94	\$ 437.50	\$ 29,307.44

Bond Anticipation Notes:

Bond anticipation notes were issued in the General Capital Fund at an interest rate of 4.50% and mature on October 2, 2024. At December 31, 2023 and 2022, there were notes outstanding of \$3,892,000.00 and \$15,348,000.00, respectively. The activity in notes issued in the General Capital Fund for the year ended December 31, 2023 are as follows:

Beginning Balance	Increase	Decrease	Ending Balance
\$15,348,000.00	\$ 3,892,000.00	\$ 15,348,000.00	\$ 3,892,000.00

4. FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years ended December 31, 2023 and 2022:

	Balance December 31, 2022	Additions	Disposals	Balance December 31, 2023
	Land and Land Improvements	\$ 35,550,258.00		
Buildings and Improvements	8,453,199.00	\$ 201,806.00		8,655,005.00
Equipment	13,623,551.00	1,746,063.00	\$ 57,718.00	15,311,896.00
	\$ 57,627,008.00	\$1,947,869.00	\$ 57,718.00	\$ 59,517,159.00
	Balance December 31, 2021	Additions	Disposals	Balance December 31, 2022
Land and Land Improvements	\$ 34,862,968.00	\$ 687,290.00		\$ 35,550,258.00
Buildings and Improvements	8,453,199.00			8,453,199.00
Equipment	12,932,759.00	841,763.00	\$ 150,971.00	13,623,551.00
	\$ 56,248,926.00	\$1,529,053.00	\$ 150,971.00	\$ 57,627,008.00

The Township current year additions exceeded disposals resulting in an increase in general fixed assets.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

5. DUE TO/FROM OTHER FUNDS

As of December 31, 2023 and 2022, interfund receivables and payables that resulted from various interfund transactions are as follows:

	2023		2022	
	Interfund Receivable	Interfund Payable	Interfund Receivable	Interfund Payable
Current Fund:				
Regular	\$ 164,818.19	\$ 4,397,267.40		\$ 776.50
Grant	983,707.85	17,093.00		1,418,195.91
Grant Fund			\$ 1,418,195.91	17,093.00
Animal Control Fund		284.14		
Other Trust		132,375.07	776.50	
Open Space Trust Fund	30,883.98	32,158.98		
General Capital Fund	3,257,293.64	30,883.98	17,093.00	
Sewer Operating	173,358.91			
	<u>\$ 4,610,062.57</u>	<u>\$ 4,610,062.57</u>	<u>\$ 1,436,065.41</u>	<u>\$ 1,436,065.41</u>

The above balances are the result of expenditures being paid by one fund on behalf of another. The Township expects all interfund balances to be liquidated within one year.

6. FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Sewer Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of Local Government Services, if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year, were as follows:

Year	Current Fund		Sewer Utility Operating Fund	
	Balance December 31st	Utilized In Budget of Succeeding Year	Balance December 31st	Utilized In Budget of Succeeding Year
2023	\$ 2,267,321.77	\$ 11,745.00 (A)	\$ 926,292.65	
2022	3,492,592.25	1,940,000.00	938,431.01	469,186.00
2021	3,645,973.00	1,960,000.00	1,017,295.00	193,000.00

(A) These amounts were included in the 2024 introduced budget. The 2024 budget has not been adopted as of the date of the report.

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022

7. COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement. It is estimated that the current cost of such unpaid compensation would approximate \$389,604.24 and \$415,003.30 to employees and officials of the Township as of December 31, 2023 and 2022, respectively, upon their retirements or other separations.

8. EMPLOYEE RETIREMENT SYSTEMS

Public Employees' Retirement System

The Public Employees' Retirement System is a cost-sharing multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by the New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2022:

	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefits	187,372
Inactive plan members entitled to but not yet receiving benefits	1,782
Active plan members	<u>239,902</u>
Total	<u><u>429,056</u></u>

Contributing Employers – 1,691

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2022, the Township's total payroll for all employees was \$7,249,230.20. For the year ended December 31, 2022, total PERS covered payroll was \$3,240,234.00. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions are based on an amortization of the unfunded accrued liability. Funding or noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employee Retirement System (continued)

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Township payments to PERS for the year ending December 31, 2022 consisted of the following:

	<u>2022</u>
Total Regular Billing	\$ 528,561.00

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PERS:

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

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members with 25 years or more of service credit before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier.

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

At June 30, 2022, the PERS reported a net pension liability of \$15,219,184,920.00 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$6,333,864.00 or 0.0419700908%, which was a decrease of 0.0033630043% from its proportion measured as of June 30, 2021.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employee Retirement System (continued)

At December 31, 2022 the Township had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources, if GASB Statement No. 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience	\$ 45,715.00	\$ 40,314.00
Changes of assumptions	19,624.00	948,430.00
Net difference between projected and actual investment earnings on pension plan investments	262,153	
Changes in proportion	332,390.00	734,741.00
Township contributions subsequent to the measurement date	529,263.00	
	<u>\$ 1,189,145.00</u>	<u>\$ 1,723,485.00</u>

\$529,263.00 shown as deferred outflows of resources related to PERS resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS should have been recognized in pension expense as follows, if GASB Statement No. 68 was recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2023	\$ (748,916.00)
2024	(310,708.00)
2025	(214,861.00)
2026	215,501.00
2027	(4,619.00)
Total	<u>\$ (1,063,603.00)</u>

Actuarial Assumptions- The total collective pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	2022
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55%
	based on years of service
Investment Rate of Return	7.00%

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employees' Retirement System (continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 in the following table:

	2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employees' Retirement System (continued)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed below as well as what the net pension 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 rate:

	At 1% Decrease 6.00%	At Current Discount Rate 7.00%	At 1% Increase 8.00%
PERS	\$ 8,137,160.00	\$ 6,333,864.00	\$ 4,799,187.00

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2022 was \$32,568,122,309.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2022 was \$25,810,084,045.00.

Additional information

Collective Local Group balances at June 30, 2022 are as follows:

Collective deferred outflows of resources	\$ 1,660,772,008.00
Collective deferred inflows of resources	3,236,303,935.00
Collective net pension liability	15,219,184,920.00
 Township's Proportion	 0.0419700908%

Collective pension expense for the Local Group for the measurement period ended June 30, 2022 was \$1,032,778,934.00. The average of the expected remaining service lives of all plan members is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 and 2022

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Public Employees' Retirement System (continued)

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2022 are \$1,288,896,120.00.

Special Funding Situation

Under N.J.S.S. 43:15A-15, the Township is responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the state to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 365, P.L. 2001, and Chapter 133, P.L. 2001. The amounts contributed on behalf of the Township by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 in the State is treated as a non-employer contributing entity. Accordingly, the townships proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the states proportionate share is 100% for PERS under this legislation.

At December 31, 2022, the State's proportionate share of the net pension liability attributable to the Township for the PERS special funding situation is \$0. For the year ended December 31, 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PERS special funding situation is \$13,327, which is equal to the actual contribution the State made on behalf of the Township of \$13,327. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PERS Net pension liability attributable through the Township was 0.0421377679 percent. The State's proportionate share attributable to the Township was developed based on actual contributions made to PERS allocated to employers based upon covered payroll. These on- behalf contributions have not been reported on the Township's financial statements.

Police and Firemen's Retirement System

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2022:

	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefits	47,518
Inactive plan members entitled to but not yet receiving benefits	60
Active plan members	<u>42,188</u>
Total	<u><u>89,766</u></u>

Contributing Employers – 582

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

In accordance with Chapter 98, P.L. 2017, PFRS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from the lottery proceeds are assumed to be contributed to the System on a monthly basis.

Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter. It is assumed the Local employers' contributions are expected to be received on April 1st, 21 months after the associated valuation date.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2022, the Township's total payroll for all employees was \$7,249,230.20. For the year ended December 31, 2022, total PFRS covered payroll was \$2,611,068.00. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

Township payments to PFRS for the year ending December 31, 2022 consisted of the following:

	<u>2022</u>
Total Regular Billing	\$ 906,591.00

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

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

At June 30, 2022, the PFRS reported a net pension liability of \$13,483,472,009.00 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$9,183,113.00, or 0.0802273900% which was an increase of 0.0024394227% from its proportion, measured as of June 30, 2021.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

At December 31, 2022 the Township would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB Statement No. 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 415,652.00	\$ 562,591.00
Changes of assumptions	25,167.00	1,155,972.00
Net difference between projected and actual investment earnings on pension plan investments	840,903.00	
Changes in proportion	802,122.00	2,021.00
Township contributions subsequent to the measurement date	<u>1,043,400.00</u>	
	<u>\$ 3,127,244.00</u>	<u>\$1,720,584.00</u>

\$1,043,400.00 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows if GASB Statement No. 68 were followed:

<u>Year ended December 31,</u>	<u>Amount</u>
2023	\$ (231,020.00)
2024	(81,930.00)
2025	(79,502.00)
2026	661,981.00
2027	<u>93,731.00</u>
Total	<u>\$ 363,260.00</u>

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

Actuarial Assumptions- The total collective pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

	2022
Inflation rate:	
Prices	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years 3.25% - 15.25%
	based on years of service

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022 are summarized in the following table:

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 projected benefit payments was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension 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 rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PFRS	\$ 12,600,223.00	\$ 9,183,113.00	\$ 6,338,352.00

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2022 was \$30,708,653,410.00.

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Police and Firemen's Retirement System (continued)

Additional information

Collective Local Group balances at June 30, 2022 are as follows:

Collective deferred outflows of resources	\$ 2,163,793,985.00
Collective deferred inflows of resources	2,805,919,493.00
Collective net pension liability	13,483,472,009.00
Township's Proportion	0.0802273900%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2022 was \$165,943,124.00. The average of the expected remaining service lives of all plan members is 6.22, 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Special Funding Situation

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2022 for police and fire is 0.08022720%. The non-employer contributing entities' contribution for the year ended June 30, 2022 was \$203,465.00, which was greater than the proportionate share of the pension expense attributable to the Township's PFRS of \$188,558.00. The State's proportionate share of net pension liability attributable to the Township as of June 30, 2022 was \$1,634,325.00.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Contribution Retirement Plan

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000.00 to be eligible or to continue participation. The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000.00 annually. At June 30, 2022, the membership in the DCRP, based on the information within the Division's database, was 60,336.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.50% for PERS, 10.00% for PFRS and 5.50% for DCRP of employees' base wages.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

9. POST-RETIREMENT HEALTH COVERAGE

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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

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 employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

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

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

9. POST-RETIREMENT HEALTH COVERAGE (continued)

Plan Membership and Contributing Employers

Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2022:

	June 30, 2022
Inactive plan members or beneficiaries currently receiving benefits	33,684
Active plan members	65,360
Total	99,044
Contributing employers	590
Contributing nonemployers	1

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$16,090,925,144.00 at June 30, 2022.

Components of Net OPEB Liability - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2022
Total OPEB Liability	\$ 16,090,925,144.00
Plan Fiduciary Net Position (Deficit)	(58,670,334.00)
Net OPEB Liability	\$ 16,149,595,478.00
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods (2022) in the measurement:

	June 30, 2022
Inflation	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25%

Preretirement and postretirement mortality rates were based on the Pub-2010 General and Safety Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021, respectively.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

9. POST-RETIREMENT HEALTH COVERAGE (continued)

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

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. The GASB statement does not require a particular source for information to determine health care trends, but it does recommend selecting a source that is “publicly available, objective, and unbiased”.

Discount Rate - The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the State’s Net OPEB Liability to Changes in the Discount Rate - The following presents the collective net OPEB liability of the participating employers and the net OPEB liability of the Township as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage- point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2022 - Collective	\$18,720,632,230.00	\$16,149,595,478.00	\$14,080,955,857.00
	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2022 -Township	\$ 21,318,495.00	\$ 18,390,675.00	\$ 16,034,970.00

Sensitivity of the State’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the participating employers and the net OPEB liability of the Township as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2022 - Collective	\$ 13,700,188,049.00	\$ 16,149,595,478.00	\$ 19,286,596,671.00
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2022 -Township	\$ 15,601,363.00	\$ 18,390,675.00	\$ 21,962,998.00

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

10. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Township is a member of the Public Alliance Insurance Coverage Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund (the "Funds"). The Funds are both an insured and self-administered group of municipalities established for the purpose of providing insurance for property damage, general liability, motor vehicles and equipment liability, and worker's compensation. The Funds are risk-sharing public entity pools. The Funds coverage amounts are on file with the Township.

The Funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year no have there been any settlements in excess of insurance coverage in any of the prior three years.

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

<u>Year Ended</u> <u>December 31</u>	<u>Opening</u> <u>Balance</u>	<u>Employer/Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 85,066.77	\$ 1,255.52	\$ 819.90	\$85,502.39
2022	75,220.00	10,737.64	890.87	85,066.77
2021	66,771.00	9,369.00	920.00	75,220.00

11. CONTINGENT LIABILITIES

The Township is involved in various claims and lawsuits incidental to its operations. In the opinion of management and legal counsel the ultimate resolution of these matters will not have a material effect on the financial position of the Township except as follows:

388 Rt. 22 Readington Realty Holding, LLC v Township of Readington, et. Al., Superior Court of New Jersey, Law Division, Docket No. HNT-L-751-10. In this matter Plaintiff seeks a judgment for damages and attorney fees. The original claim was for over \$15,000,000. There is only partial insurance, and the Township is defending the matter. With the agreement of the Township's insurance carrier, the damages claim was settled for \$1,000,001. The attorney fee claim is being litigated now. The exact amount of attorney fees claimed by the plaintiff is not currently known. It is estimated to be about \$2,000,000. The insurance company is responsible for one half of any judgement. The current projection is the claim can be resolved for about \$1,000,000, although this is merely an estimate and unanticipated events, facts or ruling may require reevaluating this estimate.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

11. CONTINGENT LIABILITIES (continued)

applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be material.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve for this contingency in the amount of \$8,002.00 and \$1,808,002.00 as of December 31, 2023 and 2022, respectively. The Township has the ability to secure additional financing or utilize a portion of its budget to satisfy any liability in excess of the amount reserved.

12. ECONOMIC DEPENDENCY

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

13. TAX ABATEMENTS

The Township has entered into four property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. The agreements are authorized under various New Jersey state statutes. These tax abatement agreements are not material and therefore individual disclosures will not be presented.

14. SELECTED TAX INFORMATION

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A 6% penalty may be assessed for any unpaid taxes in excess of \$10,000.00 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$ 2.599</u>	<u>\$ 2.532</u>	<u>\$ 2.447</u>
<u>Appointment of Tax Rate</u>			
Municipal	.508	.508	.488
Municipal Open Space	.020	.020	.020
County	.427	.403	.362
Local School	1.032	.998	.985
Regional School District	.612	.603	.592

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

14. SELECTED TAX INFORMATION (continued)

Assessed Valuations

2023	\$ 3,289,499,800.00		
2022		\$ 3,311,429,363.00	
2021			\$ 3,308,032,263.00

Comparison of Tax Levies and Collections

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2023	\$ 85,957,067.10	\$ 85,154,983.45	99.06%
2022	84,326,661.55	83,591,683.68	99.12%
2021	81,098,136.00	80,356,461.00	99.03%

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total</u>	<u>Percentage of Levy</u>
2023	\$ 801,368.67	\$ 134,163.61	\$ 935,532.28	1.09%
2022	699,022.13	129,665.32	828,687.45	0.98%
2021	643,001.00	125,311.00	768,312.00	0.95%

15. CONSUMER ACCOUNTS RECEIVABLE

The Township maintains a utility fund for the billing and collection of sewer rents. A comparison of sewer billings and collections for the past three years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collections</u>	<u>Percentage of Collection*</u>
2023	\$1,562,709.63	\$1,521,860.52	97.38%
2022	2,054,214.31	2,022,825.49	98.47%
2021	1,543,879.00	1,564,088.00	101.31%

* Collections of prior year balances are included in the above sum amounts.

16. DEFERRED CHARGES

During 2019, the Township adopted a special emergency ordinance in its Current Fund due to a revaluation of real property in the amount of \$500,000.00. The deferred charge associated with the special emergency is required to be raised in the Township's annual budget over five years which commenced with the 2020 budget. The balance at December 31, 2023 is \$100,000.00

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

17. FEDERAL ARBITRAGE REGULATIONS

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2023 and 2022, the Township has not estimated its estimated arbitrage earnings due to the IRS, if any.

18. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Township of Readington Length of Service Award Program (the Plan) was created by a Township ordinance adopted on May 3, 1999 pursuant to 457(e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Readington approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Company and the Whitehouse Rescue Squad, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year.

While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Township of Readington has contributed \$1,000.00 for each eligible member for 2023 and 2022. The total Township contributions were \$61,000.00 and \$76,000.00 for 2023 and 2022, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Township has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Township's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

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

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are not presented in this report as part of the Township's Trust Fund.

TOWNSHIP OF READINGTON

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

19. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2023 through the date of May 22, 2024, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined no subsequent events have occurred which require disclosure in the financial statements.

**TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY**

**PART II
SUPPLEMENTARY INFORMATION
REQUIRED BY THE DIVISION
YEAR ENDED DECEMBER 31, 2023**

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2023

A-4

	<u>Ref.</u>		
Balance, December 31, 2022	A		\$ 10,446,827.40
Increased by Receipts:			
Non-Budget Revenue	A-2	\$ 110,217.07	
Change Fund Returned	A-6	100.00	
NJ Senior Citizens' and Veterans' Deductions	A-6	93,434.25	
Tax Collections	A-7	85,218,398.33	
Tax Overpayments	A-11	61,926.87	
Revenue Accounts Receivable	A-12	3,798,316.97	
Tax Title Liens	A-16	154,075.54	
Prepaid Taxes	A-19	1,565,195.91	
Tax Sale Premiums	A-14	189,600.00	
Reserve for Municipal Relief	A-24	148,292.56	
Miscellaneous Fees Payable	A-9	35,762.00	
Interfunds	A-15	3,455,140.86	
			94,830,460.36
			105,277,287.76
Decreased by Disbursements:			
2023 Budget Appropriations	A-3	20,722,694.90	
2022 Appropriation Reserves	A-13	518,759.70	
Regional School Taxes Payable	A-18	22,120,243.00	
School Taxes Payable	A-20	33,939,660.00	
County Tax Payable	A-17	14,120,834.82	
Tax Title Liens	A-16	154,075.54	
Tax Overpayments	A-11	29,811.68	
Tax Sale Premiums	A-14	158,100.00	
Miscellaneous Fees Payable	A-9	44,820.00	
Reserve for Tax Appeals	A-23	1,800,000.00	
Return of Prior Year Revenue	A-1	13,525.71	
Unallocated Disbursement	A-1	54,470.79	
Interfunds	A-15	1,388,514.88	
			95,065,511.02
Balance, December 31, 2023	A		\$ 10,211,776.74

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2023

A-5

<u>Office</u>	Balance <u>December 31, 2022</u>	Closed out <u>in 2023</u>	Balance <u>December 31, 2023</u>
Tax Collector	\$ 150.00		\$ 150.00
Municipal Court	200.00		200.00
Police Department	100.00	\$ 100.00	-
Township Clerk/Animal Control	100.00		100.00
Department of Public Works	100.00		100.00
	<hr/>		
	\$ 650.00	\$ 100.00	\$ 550.00
	<hr/>		
<u>Ref.</u>	A	A-4	A

STATEMENT OF DUE FROM STATE OF NEW JERSEY-SENIOR
CITIZENS' AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2023

A-6

	<u>Ref.</u>		
Balance, December 31, 2022	A		\$ 44,419.25
Increased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings	A-7	\$ 91,750.00	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	A-7	<u>3,250.00</u>	
			<hr/> 95,000.00
			139,419.25
Decreased by:			
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector			
Current Year	A-7	250.00	
Prior Year	A-1, A-7	500.00	
Collections	A-4	<u>93,434.25</u>	
			<hr/> 94,184.25
Balance, December 31, 2023	A		<hr/> <u>\$ 45,235.00</u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2023

A-7

Year	Balance December 31, 2022	Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Allowed (Net)	Collections		Tax Overpayment Applied	Transferred To Tax Title Liens	Cancellations	Balance December 31, 2023
					2022	2023				
2022	\$ 699,022.13	\$ 85,957,067.10	\$ 29,876.91	\$ (500.00)	\$ 729,399.04					
2023		\$ 85,957,067.10	43,315.95	94,750.00	84,488,999.29		65,470.29	4,467.69	39,563.24	\$ 801,368.67
	\$ 699,022.13	\$ 85,957,067.10	73,192.86	94,250.00	85,218,398.33		65,470.29	4,467.69	39,563.24	\$ 801,368.67
<u>Ref.</u>	A	Below	Below	A-6	A-4		A-11	A-8	Reserve	A
<u>Analysis of 2023 Property Tax Levy</u>										
Tax Yield										
General Purpose Tax				\$ 85,494,103.60						
Added Taxes (RS 54:4-36.1 et seq.)				462,963.50						\$ 85,957,067.10
Tax Levy										
Regional School Tax	A-18		\$ 20,120,246.00							
Local District School Tax	A-20		33,939,660.00							
County Taxes										
County Tax - General	A-17		11,767,519.34							
Open Space Tax	A-17		1,123,849.66							
County Library Taxes	A-17		1,155,531.66							
Due County for Added Tax	A-17		75,920.99							
Local Tax for Municipal Purposes	A-2		16,715,900.91	\$ 68,182,727.65						
Municipal Open Space	A-21		661,468.23							
Add: Additional Tax Levied	A-2		396,970.31	17,774,339.45						
										\$ 85,957,067.10

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

A-8

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 129,665.32
Increased by:		
Transfers from Current Year Taxes Receivable	A-7	\$ 4,467.69
Adjustment	Reserve	30.60
		4,498.29
Balance, December 31, 2023	A	\$ 134,163.61

STATEMENT OF MISCELLANEOUS FEES PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-9

	Balance December 31, 2022	Cash Receipts	Cash Disbursements	Balance December 31, 2023
Due to State - Marriage License Fees		\$ 1,750.00	\$ 1,225.00	\$ 525.00
Due to State - DCA Training Fees	\$ 7,633.00	32,462.00	40,095.00	-
Due to County - Food Inspections	3,100.00	1,550.00	3,500.00	1,150.00
	\$ 10,733.00	\$ 35,762.00	\$ 44,820.00	\$ 1,675.00
<u>Ref.</u>	A	A-4	A-4	A

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF RESERVE FOR REVALUATION
YEAR ENDED DECEMBER 31, 2023

A-10

	<u>Ref.</u>	
Balance, December 31, 2023 and 2022	A	\$ <u>50,224.50</u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	<u>A-11</u>
Balance, December 31, 2022	A	\$ 84,119.71
Increased by:		
Cash Receipts	A-4	<u>61,926.87</u>
		146,046.58
Decreased by:		
Applied to Current Year Taxes	A-7	\$ 65,470.29
Cash Disbursements	A-4	<u>29,811.68</u>
		<u>95,281.97</u>
Balance, December 31, 2023	A	<u><u>\$ 50,764.61</u></u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

A-12

	Balance Dec. 31, 2022	Accrued	Cash Receipts	Balance Dec. 31, 2023
Licenses:				
Alcoholic Beverages		\$ 23,200.00	\$ 23,200.00	
Fees and Permits		165,926.00	165,926.00	
Municipal Court - Fines and Costs	\$ 4,960.45	84,727.06	84,882.10	\$ 4,805.41
Interest and costs on Taxes		163,871.89	163,871.89	
Interest on Investments and Deposits		355,433.04	355,433.04	
Garden State Trust Fund		4,879.00	4,879.00	
Energy Receipts Tax		1,431,538.38	1,431,538.38	
Uniform Construction Code Fees		536,221.80	536,221.80	
Uniform Safety Act		35,642.66	35,642.66	
Anticipated Surplus from Sewer Utility		250,000.00	250,000.00	
Reserve for Payment of Debt Service		89,422.61	89,422.61	
Reserve for Road Improvements - General Capital Fund		83,019.48	83,019.48	
Interlocal Agreement -Readington Twp. Board of Education		51,534.55	51,534.55	
Adult Recreation Cannabis Tax		522,745.46	522,745.46	
	\$ 4,960.45	\$ 3,798,161.93	\$ 3,798,316.97	\$ 4,805.41
Ref.	A	A-2	A-4	A

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

A-13
Sheet # 1

<u>Appropriation</u>	Balance December 31, 2022	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 4.62		\$ 4.62		\$ 4.62
Other Expenses:			-		-
Elections	33.38		33.38		33.38
Miscellaneous Other Expenses	24,268.67		24,268.67	\$ 24,104.37	164.30
Mayor and Township Committee:					
Salaries and Wages	0.97		0.97		0.97
Other Expenses	3,607.50		3,607.50		3,607.50
Financial Administration:					
Salaries and Wages	1.10		1.10		1.10
Other Expenses	992.08		992.08	335.10	656.98
Revenue Administration (Tax Collection):					
Salaries and Wages	0.60		0.60		0.60
Other Expenses	4,447.18	\$ (4,400.00)	47.18		47.18
Tax Assessment Administration:					
Salaries and Wages	0.11		0.11		0.11
Other Expenses:			-		-
Revision of Tax Map	1,377.00		1,377.00	379.00	998.00
Miscellaneous Other Expenses	500.00		500.00	439.51	60.49
Legal Services and Costs:					
Other Expenses	25,697.58	29,430.00	55,127.58	54,001.89	1,125.69
Engineering Services and Costs:					
Other Expenses	13,571.49	14,280.00	27,851.49	27,850.75	0.74
Museum Committee:					
Salaries and Wages	10,291.00		10,291.00		10,291.00
Other Expenses	4,190.73		4,190.73	606.03	3,584.70
Historic Preservation Commission:					
Other Expenses	370.45		370.45		370.45
Planning Board:					
Salaries and Wages	0.93		0.93		0.93
Other Expenses	1,970.12	(1,900.00)	70.12	40.97	29.15
Board of Adjustment:					
Salaries and Wages	9,361.55	(9,300.00)	61.55		61.55
Other Expenses	14,274.64	(13,700.00)	574.64	527.49	47.15
Environmental Health Commission:					
Other Expenses:			-		-
Consultants	39,297.42	(30,800.00)	8,497.42	8,428.26	69.16
Miscellaneous Other Expenses	11,109.59	(10,600.00)	509.59	491.81	17.78
Administration of Public Assistance:					
Salaries and Wages	9,373.69		9,373.69		9,373.69
Other Expenses	6,174.45		6,174.45		6,174.45
Insurance:					
General Liability	33,103.61		33,103.61		33,103.61
Employee Group Health	0.34		0.34		0.34
Health Benefit Waiver	11,547.64		11,547.64		11,547.64
PUBLIC SAFETY:					
Aid to Volunteer Ambulance Company	5,599.90		5,599.90	5,599.90	-
Fire:					
Other Expenses:			-		-
Purchase of Equipment Volunteer Fire Co.	32,394.22		32,394.22	26,201.03	6,193.19
Training Fire Department Personnel	74.40		74.40	65.90	8.50
Municipal Prosecutor:					
Other Expenses	7,783.11		7,783.11	4,226.31	3,556.80
Police:					
Salaries and Wages	0.96		0.96		0.96
Other Expenses	118,473.99	(1,240.00)	117,233.99	113,128.74	4,105.25
Emergency Management Services:					
Salaries and Wages	3,771.16		3,771.16		3,771.16
Other Expenses	7,371.94		7,371.94	5,000.73	2,371.21
Uniform Fire Safety:					
Other Expenses	8,608.11		8,608.11	3,423.75	5,184.36
Supplemental Fire Services Program:					
Other Expenses	5,612.85		5,612.85	1,717.85	3,895.00
PUBLIC WORKS:					
Road Repair and Maintenance:					
Salaries and Wages	4,274.71		4,274.71		4,274.71
Other Expenses	84,128.31		84,128.31	44,161.77	39,966.54
Tree Care:					
Other Expenses	10,398.53		10,398.53		10,398.53
Snow Removal:					
Other Expenses	10,088.54		10,088.54	10,088.54	-
Waste Collection/Recycling:					
Other Expenses	23,326.36	37,320.00	60,646.36	60,643.02	3.34
Buildings and Grounds:					
Salaries and Wages	4,432.40	(4,400.00)	32.40		32.40
Other Expenses	11,517.41	(5,600.00)	5,917.41	5,899.13	18.28

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

A-13
Sheet # 2

<u>Appropriation</u>	Balance December 31, 2022	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT (Cont'd):					
Public Defender:					
Other Expenses	\$ 10,949.00		\$ 10,949.00	\$ 4,972.00	\$ 5,977.00
Municipal Court:					
Salaries and Wages	906.49		906.49		906.49
Other Expenses	2,468.90	\$ 70.00	2,538.90	2,537.02	1.88
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries and Wages	697.36		697.36		697.36
Other Expenses	8,597.66		8,597.66	2,620.29	5,977.37
Animal Control:					
Other Expenses	2,105.84		2,105.84		2,105.84
RECREATION AND EDUCATION:					
Recreations:					
Salaries and Wages	32,705.03		32,705.03		32,705.03
Other Expenses	9,880.60		9,880.60	2,978.82	6,901.78
Senior Citizens Transportation:					
Other Expenses	295.00		295.00		295.00
Expense in Participation of Free County Library					
Salaries and Wages	0.57		0.57		0.57
Other Expenses	3,184.05		3,184.05	657.94	2,526.11
UTILITIES:					
Fire Hydrant Services	9,506.98	100.00	9,606.98	9,605.09	1.89
Electricity	11,609.42		11,609.42	7,389.98	4,219.44
Street Lighting	6,030.80		6,030.80		6,030.80
Telephone	3,601.92		3,601.92	3,601.92	-
Fuel Oil	8,500.00		8,500.00	-	8,500.00
Gasoline	2,085.03	12,740.00	14,825.03	14,820.13	4.90
Contingent	3,620.00		3,620.00		3,620.00
UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	411.55		411.55		411.55
Other Expenses	43,297.74	(12,000.00)	31,297.74	30,785.41	512.33
Total Operations Within "CAPS"	723,879.28	-	723,879.28	477,330.45	246,548.83
Police and Firemen's Retirement System of N.J.	60,991.00		60,991.00	28,984.26	32,006.74
Social Security System (O.A.S.I.)	0.27		0.27		0.27
LOSAP	9,000.00		9,000.00		9,000.00
Defined Contribution Retirement Contribution	438.19		438.19		438.19
Unemployment	3,933.74		3,933.74		3,933.74
Matching Funds for Grants	1.00		1.00		1.00
Public Employees Retirement System of N.J.	39,652.00		39,652.00	12,774.99	26,877.01
Total General Appropriations	\$ 837,895.48	\$ -	\$ 837,895.48	\$ 519,089.70	\$ 318,805.78
Ref.	A				A-1
Cash Disbursed	A-4			\$ 518,759.70	
Encumbrances Payable	A			330.00	
Above				\$ 519,089.70	
Appropriation Reserves	A	\$ 615,049.78			
Reserve for Encumbrances	A	222,845.70			
Above		\$ 837,895.48			

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF RESERVE FOR TAX SALE PREMIUMS
YEAR ENDED DECEMBER 31, 2023

A-14

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 335,500.00
Increased by:		
Cash Receipts	A-4	<u>189,600.00</u>
		525,100.00
Decreased by:		
Cash Disbursements	A-4	<u>158,100.00</u>
Balance, December 31, 2023	A	<u><u>\$ 367,000.00</u></u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF INTERFUNDS RECEIVABLE (PAYABLE)
YEAR ENDED DECEMBER 31, 2023

A-15

	<u>Ref.</u>	<u>Total</u>	<u>Grant Fund</u>	<u>Sewer Operating Fund</u>	<u>Open Space Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>General Capital Fund</u>
Balance December 31, 2022								
From (To)	A	\$ (1,418,972.41)	\$ (1,418,195.91)				\$ (776.50)	
Increased by:								
Cash Disbursements	A-4	1,388,514.88	586,688.01		\$ 693,627.21		108,199.66	
Interest Earned	A-2	64,617.41				\$ 284.14	24,951.91	\$ 39,381.36
		<u>34,159.88</u>	<u>(831,507.90)</u>	<u>-</u>	<u>693,627.21</u>	<u>284.14</u>	<u>132,375.07</u>	<u>39,381.36</u>
Decreased by:								
Cash Receipts	A-4	3,455,140.86	152,199.95	\$ 173,358.91				3,129,582.00
Budget Appropriation - Deferred Charges	A-3	150,000.00						150,000.00
Municipal Open Space Tax	A-21	661,468.23			661,468.23			
		<u>4,266,609.09</u>	<u>152,199.95</u>	<u>173,358.91</u>	<u>661,468.23</u>	<u>-</u>	<u>-</u>	<u>3,279,582.00</u>
Balance December 31, 2023								
From (To)	A	<u>\$ (4,232,449.21)</u>	<u>\$ (983,707.85)</u>	<u>\$ (173,358.91)</u>	<u>\$ 32,158.98</u>	<u>\$ 284.14</u>	<u>\$ 132,375.07</u>	<u>\$ (3,240,200.64)</u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF RESERVE FOR OUTSIDE TAX LIENS
YEAR ENDED DECEMBER 31, 2023

A-16

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ -
Increased by:		
Cash Receipts	A-4	154,075.54
		154,075.54
Decreased by:		
Cash Disbursements	A-4	154,075.54
		154,075.54
Balance, December 31, 2023	A	\$ -

STATEMENT OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-17

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 73,934.45
Increased by:		
Levy-Calendar Year 2023		\$ 11,767,519.34
Library Taxes		1,155,531.66
2023 Open Space Tax Levy		1,123,849.66
Due County for Added Taxes		75,920.99
	A-1, A-7	14,122,821.65
		14,196,756.10
Decreased by:		
Cash Disbursements	A-4	14,120,834.82
		14,120,834.82
Balance, December 31, 2023	A	\$ 75,921.28

STATEMENT OF REGIONAL SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-18

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 1,999,997.00
Increased by:		
Levy - Calendar Year 2023	A-1, A-7	20,120,246.00
		22,120,243.00
Decreased by:		
Cash Disbursements	A-4	22,120,243.00
		22,120,243.00
Balance, December 31, 2023	A	\$ -

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2023

A-19

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 505,763.87
Increased by:		
Collection of 2024 Taxes	A-4	1,565,195.91
		<u>2,070,959.78</u>
Decreased by:		
Applied to 2023 Taxes	A-7	505,763.87
		<u>505,763.87</u>
Balance, December 31, 2023	A	<u>\$ 1,565,195.91</u>

STATEMENT OF LOCAL SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-20

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ -
Increased by:		
Levy - Calendar Year 2023	A-1, A-7	33,939,660.00
		<u>33,939,660.00</u>
Decreased by:		
Cash Disbursements	A-4	33,939,660.00
		<u>33,939,660.00</u>
Balance, December 31, 2023	A	<u>\$ -</u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF MUNICIPAL OPEN SPACE TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-21

	<u>Ref.</u>		
Balance, December 31, 2022	A	\$	-
Increased by:			
2023 Tax Levy	A-7	\$	657,900.00
2023 Added Taxes (54:4-63.1 et seq.)	A-7		<u>3,568.23</u>
			<u>661,468.23</u>
Decreased by:			
Transferred to Open Space Trust Fund	A-15		<u>661,468.23</u>
Balance, December 31, 2023	A	\$	<u><u>-</u></u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATION
YEAR ENDED DECEMBER 31, 2023

A-22

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>December 31</u> <u>2022</u>	<u>Raised in</u> <u>2023</u> <u>Budget</u>	<u>Balance</u> <u>December 31,</u> <u>2023</u>
2/4/2019	Revaluation of Real Property <u>Ref.</u>	\$ 500,000.00	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00
			A	A-3	A

STATEMENT OF RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2023

A-23

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 1,808,002.00
Decreased by:		
Cash Disbursements	A-4	<u>1,800,000.00</u>
Balance, December 31, 2023	A	<u>\$ 8,002.00</u>

STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUNDS
YEAR ENDED DECEMBER 31, 2023

A-24

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 74,161.98
Increased by:		
Cash Receipts	A-4	<u>148,292.56</u>
		222,454.54
Decreased by:		
Appropriated as Current Year Revenue	A-2	<u>74,161.98</u>
Balance, December 31, 2023	A	<u>\$ 148,292.56</u>

TOWNSHIP OF READINGTON
CURRENT FUND

STATEMENT OF RESERVE FOR ENCUMBRANCES
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>		<u>A-25</u>
Balance, December 31, 2022	A		\$ 222,845.70
Increased by:			
Charges to 2023 Budget	A-2	\$ 236,709.34	
Charges to 2022 Appropriation Reserves	A-13	<u>330.00</u>	
			<u>237,039.34</u>
			459,885.04
Decreased by:			
Transferred to Appropriation Reserves	A-13		<u>222,845.70</u>
Balance December 31, 2023	A		<u>\$ 237,039.34</u>

GRANT FUND
STATEMENT OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

	Balance, December 31, 2022	2023 Anticipated Revenue	Received	Balance, December 31, 2023
Municipal Planning Incentive				
Sustainable New Jersey - Roots to Rivers	\$ 201.00			\$ 201.00
Local Recreational Improvement Grant	55,000.00	\$ 50,000.00		105,000.00
Somerset County Pass Thru DWI	549.72		\$ 549.72	-
PSE&G Foundation	5,000.00			5,000.00
Stormwater Assistance Grant		15,000.00	15,000.00	-
Hunterdon County History Partnership Grant	1,800.00	3,800.00	4,840.00	760.00
Clean Communities Program		64,006.65	64,006.65	-
Alcohol Education & Rehabilitation		4,413.01	4,413.01	-
NJ Environmental Commission - ANJEC	130.00			130.00
NJ Historical Commission - Museum	5,698.00			5,698.00
NJ DEP NJUCF Stewardship Grant	50,000.00			50,000.00
391-H Grant Watershed	64,157.38		5,142.99	59,014.39
Recycling Tonnage Grant		14,445.12	14,445.12	-
National Opioid Settlement		10,066.56	10,066.56	-
New Jersey American Water Environmental Grant Program		10,000.00	10,000.00	-
	<u>\$ 182,536.10</u>	<u>\$ 171,731.34</u>	<u>\$ 128,464.05</u>	<u>\$ 225,803.39</u>
<u>Ref.</u>	A	A-2, A-28	A-26	A

TOWNSHIP OF READINGTON
GRANT FUND

STATEMENT OF INTERFUNDS RECEIVABLE (PAYABLE)
YEAR ENDED DECEMBER 31, 2023

A-27

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2022				
From (To)	A	\$ 1,401,102.91	\$ 1,418,195.91	\$ (17,093.00)
Increased by:				
Cash Receipts - Grants Receivable	A-15	128,464.05	128,464.05	
Cash Receipts - Unappropriated Reserve	A-15, A-29	23,735.90	23,735.90	
		<u>1,553,302.86</u>	<u>1,570,395.86</u>	<u>(17,093.00)</u>
Decreased by:				
Cash Disbursements	A-15	586,688.01	586,688.01	
		<u>586,688.01</u>	<u>586,688.01</u>	<u>-</u>
Balance December 31, 2023				
From (To)	A	<u>\$ 966,614.85</u>	<u>\$ 983,707.85</u>	<u>\$ (17,093.00)</u>

TOWNSHIP OF READINGTON
GRANT FUND

STATEMENT OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-28

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 59,779.75
Increased by:		
Charges to Appropriated Grant Reserves	A-28	19,165.51
		<hr/> 78,945.26
Decreased by:		
Transferreds to Appropriated Grant Reserves	A-28	59,779.75
		<hr/> 59,779.75
Balance, December 31, 2023	A	<u><u>\$ 19,165.51</u></u>

TOWNSHIP OF READINGTON
GRANT FUND

STATEMENT OF RESERVE FOR APPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2023

A-29

	Balance, December 31 2022	Transferred from Budget Appropriations	Prior Year Encumbrances	Paid or Charged	Balance, December 31, 2023
Clean Communities Program	\$ 79,298.90	\$ 64,006.65	\$ 4,779.75	\$ 53,444.75	\$ 94,640.55
Drunk Driving Enforcement Fund	25,505.11			1,374.14	24,130.97
Body Armor Grant	1,407.03	1,789.21			3,196.24
Alcohol Education & Rehabilitation	24,801.85	4,413.01		159.83	29,055.03
NJ DEP NJUCF Stewardship Grant	50,000.00			115.00	49,885.00
Sustainable New Jersey - Roots to Rivers	201.00				201.00
National Opioid Settlement		38,188.09			38,188.09
PSEG& Foundation	1,000.00				1,000.00
New Jersey American Water Environmental Grant Program		10,000.00		9,900.00	100.00
Stormwater Assistance Grant		15,000.00			15,000.00
Hunterdon County Rediscover Hunterdon	5,000.00				5,000.00
Hunterdon County History Partnership Grant	9,920.00	3,800.00			13,720.00
Local Recreational Improvement Grant		50,000.00	55,000.00	63,945.00	41,055.00
Recycling Tonnage Grant	25,519.00	14,445.12		6,482.40	33,481.72
American Rescue Plan	1,242,011.74			441,148.51	800,863.23
391-H Grant Watershed	29,283.89			29,283.89	-
	<u>\$ 1,493,948.52</u>	<u>\$ 201,642.08</u>	<u>\$ 59,779.75</u>	<u>\$ 605,853.52</u>	<u>\$ 1,149,516.83</u>
Ref.	A	A-3	A-27	Below	A
Interfund - Current Fund	A-26			\$ 586,688.01	
Encumbrances Payable	A-27			19,165.51	
Above				<u>\$ 605,853.52</u>	

TOWNSHIP OF READINGTON
GRANT FUND

STATEMENT OF RESERVE FOR UNAPPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2023

A-30

	Balance, December 31 2022	Received	Realized as Revenue in 2023	Balance, December 31, 2023
Body Armor Fund	\$ 1,789.21	\$ 2,227.68	\$ 1,789.21	\$ 2,227.68
Lead Grant		8,800.00		8,800.00
Somerset County Pass Thru DWI		4,770.23		4,770.23
National Opioid Settlement	28,121.53	7,937.99	28,121.53	7,937.99
	\$ 29,910.74	\$ 23,735.90	\$ 29,910.74	\$ 23,735.90

Ref.	A	A-26	A-26	A
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TOWNSHIP OF READINGTON
TRUST FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2023

B-3

	<u>Ref.</u>	<u>Open Space Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Trust Other Fund</u>
Balance, December 31, 2022	B	\$ 581,899.19	\$ 16,868.68	\$ 4,267,209.02
Increased by Receipts:				
Interest Earned	B-1	\$ 29,342.39		
Hunting Fees Collected	B-10	23,285.69	\$ 284.14	
Special Deposits	B-8			\$ 4,899,976.08
State Fees Collected	B-6		3,470.40	
Interfunds	B-7, B-9	657,900.00		24,951.91
Dog License Fees	B-4, B-5	710,528.08	35,267.40	
		<u>710,528.08</u>	<u>39,021.94</u>	<u>4,924,927.99</u>
			<u>55,890.62</u>	<u>9,192,137.01</u>
Decreased by Disbursements:				
Paid to State of New Jersey	B-6		3,426.00	
Open Space Expenditures	B-2	422,158.68		
Special Deposits	B-8			4,510,257.09
Expenditures Under R. S. 41:19-15.11	B-4		35,331.39	
Interfunds	B-7, B-13	30,883.98		
		<u>453,042.66</u>	<u>38,757.39</u>	<u>4,510,257.09</u>
Balance, December 31, 2023	B	<u>\$ 839,384.61</u>	<u>\$ 17,133.23</u>	<u>\$ 4,681,879.92</u>

TOWNSHIP OF READINGTON
ANIMAL CONTROL TRUST FUND

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
YEAR ENDED DECEMBER 31, 2023

B-4

	<u>Ref.</u>		
Balance, December 31, 2022	B		\$ 7,673.68
Increased by:			
License Fees:			
2023 Collections			
Dog	B-3	\$ 26,490.60	
Prepaid Licenses Applied	B-5	<u>8,335.20</u>	
			<u>34,825.80</u>
			42,499.48
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-3		<u>35,331.39</u>
Balance, December 31, 2023	B		<u><u>\$ 7,168.09</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>	
2021	\$ 36,222.00	
2022	<u>38,024.20</u>	
	<u><u>\$ 74,246.20</u></u>	

Note: R.S. 4:19-15.11

"....there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding".

TOWNSHIP OF READINGTON
ANIMAL CONTROL TRUST FUND

STATEMENT OF PREPAID LICENSES
YEAR ENDED DECEMBER 31, 2023

B-5

	<u>Ref.</u>	
Balance, December 31, 2022	B	\$ 8,335.20
Increased by:		
2024 License Fees Collected	B-3	<u>8,776.80</u>
		17,112.00
Decreased by:		
Applied in 2023	B-4	<u>8,335.20</u>
Balance, December 31, 2023	B	<u><u>\$ 8,776.80</u></u>

TOWNSHIP OF READINGTON
ANIMAL CONTROL TRUST FUND

STATEMENT OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2023

B-6

	<u>Ref.</u>	
Balance, December 31, 2022	B	\$ 859.80
Increased by:		
State Fees Collected in 2023	B-3	<u>3,470.40</u>
		4,330.20
Decreased by:		
Payments to the State of New Jersey	B-3	<u>3,426.00</u>
Balance, December 31, 2023	B	<u><u>\$ 904.20</u></u>

TOWNSHIP OF READINGTON
OTHER TRUST FUND

STATEMENT OF DUE TO (FROM) CURRENT FUND
YEAR ENDED DECEMBER 31, 2023

B-7

	<u>Ref.</u>		
Balance, December 31, 2022 (Due from)	B		\$ (776.50)
Increased by:			
Expenditures Made by Current Fund	B-8	\$ 108,199.66	
Interest Earned - FSA		\$ 2.05	
Interest Earned - Payroll Deduction Trust		7,785.95	
Interest Earned - Net Payroll		6.16	
Interest Earned- Escrow (Board of Health)		3,492.61	
Interest Earned - Escrow (Driveway Maintenance)		3,574.01	
Interest Earned - General Trust		<u>10,091.13</u>	
	B-3	<u>24,951.91</u>	<u>133,151.57</u>
Balance, December 31, 2023 (Due To)	B		<u>\$ 132,375.07</u>

TOWNSHIP OF READINGTON
OTHER TRUST FUND

STATEMENT OF SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2023

B-8

	Balance December 31, <u>2022</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>2023</u>
Unemployment	\$ 85,066.77	\$ 1,255.52	\$ 819.90	\$ 85,502.39
General:				
Police Escrow	46,282.87	272,142.56	218,848.51	99,576.92
Public Defender	2,250.00	2,800.00	4,650.00	400.00
Parking Offenses Adjudication Act	82.00			82.00
Library	19,228.45	2,000.40	600.00	20,628.85
Museum	51,881.99	2,319.00		54,200.99
Housing:				
Deposits	1,765,051.12	346,788.83	41,946.85	2,069,893.10
Developers/Driveway/Health Escrows	2,138,897.85	433,836.29	589,480.81	1,983,253.33
Recreation	82,788.92	492,963.94	439,619.12	136,133.74
Payroll Deduction	42,890.24	3,325,180.69	3,312,274.95	55,795.98
Flexible Spending	345.25	10,150.00	9,766.61	728.64
Snow & Storm		8,688.84		8,688.84
Rent Security		1,350.00	450.00	900.00
Fire Penalties	33,199.06	500.00		33,699.06
Forfeited Funds	21.00	0.01		21.01
	<u>\$ 4,267,985.52</u>	<u>\$ 4,899,976.08</u>	<u>\$ 4,618,456.75</u>	<u>\$ 4,549,504.85</u>

Ref.

B

B-3

B

Ref.

B-7

\$ 108,199.66

B-3

4,510,257.09

\$ 4,618,456.75

TOWNSHIP OF READINGTON
OPEN SPACE TRUST FUND

STATEMENT OF DUE TO (FROM) CURRENT FUND
YEAR ENDED DECEMBER 31, 2023

B-9

	<u>Ref.</u>		
Balance, December 31, 2022	B		\$ -
Increased by:			
2023 Tax Levy		\$ 657,900.00	
Added and Omitted Taxes		<u>3,568.23</u>	
	B-1		<u>661,468.23</u>
			<u>661,468.23</u>
Decreased by:			
Payments made by Current Fund	B-11	35,727.21	
Cash Receipts	B-3	<u>657,900.00</u>	
			<u>693,627.21</u>
Balance, December 31, 2023	B		<u>\$ (32,158.98)</u>

STATEMENT OF RESERVE FOR WILDLIFE MANAGEMENT
YEAR ENDED DECEMBER 31, 2023

B-10

	<u>Ref.</u>		
Balance, December 31, 2022	B		\$ 25,504.00
Increased by:			
Hunting Fees Collected	B-3		<u>23,285.69</u>
Balance, December 31, 2023	B		<u>\$ 48,789.69</u>

TOWNSHIP OF READINGTON
OPEN SPACE TRUST FUND

STATEMENT OF RESERVE FOR OPEN SPACE
YEAR ENDED DECEMBER 31, 2023

B-11

	<u>Ref.</u>		
Balance, December 31, 2022	B		\$ 556,395.19
Increased by:			
Revenue	B-1		690,810.62
			1,247,205.81
Decreased by:			
Expenditures Made by Current Fund	B-9	\$ 35,727.21	
Expenditures	B-2	422,158.68	
			457,885.89
Balance, December 31, 2023	B		\$ 789,319.92

TOWNSHIP OF READINGTON
ANIMAL CONTROL TRUST FUND

STATEMENT OF DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2023

B-12

	<u>Ref.</u>	
Increased by:		
Interest Earned	B-3	<u>\$ 284.14</u>
Balance, December 31, 2023	B	<u><u>\$ 284.14</u></u>

TOWNSHIP OF READINGTON
OPEN SPACE TRUST FUND

STATEMENT OF DUE FROM GENERAL CAPITAL FUND
YEAR ENDED DECEMBER 31, 2023

B-13

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	B-1	<u>\$ 30,883.98</u>
Balance, December 31, 2023	B	<u><u>\$ 30,883.98</u></u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2023

C-2

	<u>Ref.</u>		
Balance, December 31, 2022	C		\$ 3,156,163.34
Increased by:			
Premium on Notes	C-1	\$ 17,008.04	
Premium on Bonds	C-1	5,216.50	
Bond Anticipation Notes	C-16	3,892,000.00	
Capital Improvement Fund	C-8	93,590.00	
Reserve for Debt Service	C-12	2,552,893.26	
Grants Receivable	C-4	35,140.50	
Reserve for Green Trust	C-18	12.80	
Receipts Due to Open Space Trust Fund	C-15	30,883.98	
Interfund Current - Interest	C-14	39,381.36	
Bond Proceeds	C-16	<u>15,348,000.00</u>	
			<u>22,014,126.44</u>
			25,170,289.78
Decreased by:			
Improvement Authorizations	C-7	3,261,638.49	
Bond Anticipation Notes	C-16	15,348,000.00	
Reserve for Road Improvements Utilized			
In Current Fund Budget	C-11	83,019.48	
Reserve for Debt Service Utilized			
In Current Fund Budget	C-12	89,422.61	
Paid to Current Fund	C-14	<u>2,900,000.00</u>	
			<u>21,682,080.58</u>
Balance, December 31, 2023	C		<u>\$ 3,488,209.20</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF ANALYSIS OF GENERAL CAPITAL CASH
DECEMBER 31, 2023 AND 2022

C-3

	<u>Balance,</u> <u>December 31,</u> <u>2023</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
Fund Balance	\$ 102,921.30	\$ 80,696.76
Grants Receivable	(104,730.00)	(115,330.69)
Capital Improvement Fund	13,436.04	8,445.04
Reserve for Debt Service	2,769,754.26	89,422.61
Contracts Payable	947,481.70	2,272,177.13
Reserve for Emergency Vehicles	4,240.00	4,240.00
Reserve for Road Improvements		83,019.48
Due from Current Fund	(3,240,200.64)	
Due to Open Space Trust Fund	30,883.98	
Due from Federal and State Grant Fund	(17,093.00)	(17,093.00)
Reserve for Green Trust	25,601.22	25,588.42
 Improvement Authorizations:		
<u>Ordinance Number</u>	<u>General Improvements</u>	
03-24/04-27	Acquisition of Property - D'Urso	(772,224.00) (805,224.00)
05-22/14-19	Various Capital Improvements	9,539.14 47,747.76
14-11	Various Capital Improvements	92,890.84 129,469.12
15-10	Acquisition of Affordable Housing Unit	134,215.19 135,000.00
17-09	Acquisition of Sewer Capacity	512,886.69 528,076.54
17-10	Acquisition of Property	152,110.55 153,000.00
18-5	Various Improvements	1,006.03 26,504.26
18-10/19-11	Market to Affordable Program	211,128.86
19-09	Various Capital Improvements	227,729.15 234,506.06
19-23	Saums Property	63,900.67 66,007.89
20-20	Various Capital Improvements	139,483.68 220,333.24
20-31	Market Affordable Housing	335,531.62 368,384.18
21-07	Various Improvements	401,911.88 457,129.44
21-08	Acquisition of Various Equipment and Improvements	106,161.67 126,065.00
21-09	Acquisition of Ambulance	- 2,830.60
21-29	Acquisition of Property	2,180.45 2,193.20
21-37	Various Improvements	139,460.68 144,388.40
22-13	Various Capital Improvements	575,067.18 (1,286,927.42)
22-14	Various Capital Improvements	70,189.00 77,596.16
22-29	Pur. Of Self-Contained Breathing Apparatus	3,188.30 3,788.30
22-34	Acq. Of Police Administrative SUV's	14,512.66 (117,000.00)
22-35	Pur. Of DPW Administrative SUV	1,323.21
23-05	Refunding Tax Appeals	(8,751.95)
23-13	Various Capital Improvements	716,711.92
23-23	HVAC to the Municipal Building	36,889.78
		<u>\$ 3,488,209.20</u> <u>\$ 3,156,163.34</u>
<u>Ref.</u>	<u>C</u>	<u>C</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

C-4

Agency	Balance December 31, 2022	Increase	Receipts	Cancelled	Balance December 31, 2023
New Jersey Department of Transportation	\$ 80,330.69	\$ 69,730.00	\$ 35,140.50	\$ 45,190.19	\$ 69,730.00
Hunterdon County Historic Preservation	35,000.00				35,000.00
	<u>\$ 115,330.69</u>	<u>\$ 69,730.00</u>	<u>\$ 35,140.50</u>	<u>\$ 45,190.19</u>	<u>\$ 104,730.00</u>
<u>Ref.</u>	C	C-7	C-2	C-7	Below
				Ord. #22-13	\$ 35,000.00
				Ord. #23-13	69,730.00
				Above	<u>\$ 104,730.00</u>
					C

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2023

C-5

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 22,891,787.81
Increased by:		
Bonds Issued	C-10	<u>14,410,000.00</u>
		37,301,787.81
Decreased by:		
2023 Budget Appropriation to Pay Serial Bonds	C-10	\$ 2,845,000.00
2023 Budget Appropriation to Pay Loans	C-17	59,049.92
Adjustment to Loans Payable	C-17	<u>867.95</u>
		<u>2,904,917.87</u>
Balance, December 31, 2023	C	<u>\$ 34,396,869.94</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2023

C-6

		Analysis of Balance December 31, 2023							
<u>Ord. Number</u>	<u>Improvement Description</u>	Balance December 31, 2022	2023 Authorizations	Funded by Bond Proceeds	Funded by Budget Appropriation	Balance December 31, 2023	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
		\$ 805,224.00			\$ 33,000.00	\$ 772,224.00		\$ 772,224.00	
03-24/04-27	Acquisition of Property - DUrso								
16-04	Various Capital Improvements	6,000.00		6,000.00					
17-07	Various Capital Improvements	1,169,825.00		1,169,825.00					
17-08	Acquisition of Sewer Capacity	375,400.00		375,400.00					
17-09	Acquisition of Sewer Capacity	3,333,400.00		3,333,400.00					
17-12	Acquisition of Property - Affordable Housing	819,750.00		819,750.00					
18-5	Various Improvements	1,540,200.00		1,540,200.00					
18-10	Market to Affordable Program	708,100.00		708,100.00					
19-09	Various Capital Improvements	1,351,820.00		1,351,820.00					
19-20	Acquisition of Fire Truck	664,685.00		664,685.00					
19-23	Saums Property	1,359,523.00		1,359,523.00					
20-20	Various Capital Improvements	204,962.00		204,962.00					
20-27	Acquisition of Property - Gerison	275,955.00		275,955.00					
20-31	Market Affordable Housing	1,404,250.00		1,404,250.00					
21-07	Various Capital Improvements	1,300,800.00		1,300,800.00					
21-37	Improvements to Summer Road/Pickell Park	833,330.00		833,330.00					
22-13	Various Capital Improvements	1,876,088.00		1,876,088.00	117,000.00	1,876,088.00	\$ 1,876,000.00	\$ 88.00	
22-34	Acq. Of Police Administrative SUV's	117,000.00							
23-05	Refunding Tax Appeals		\$ 2,800,000.00			2,800,000.00		\$ 8,751.95	2,791,248.05
23-13	Various Capital Improvements		2,016,300.00			2,016,300.00	2,016,000.00		300.00
		<u>\$ 18,146,312.00</u>	<u>\$ 4,816,300.00</u>	<u>\$ 15,348,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 7,464,612.00</u>	<u>\$ 3,892,000.00</u>	<u>\$ 780,975.95</u>	<u>\$ 2,791,636.05</u>
<u>Ref.</u>	<u>C</u>		C-7, C-20	C-16	C-14, C-20	C	C-16	C-3	Below
C-2	Bond Proceeds			\$ 15,348,000.00					
C-10	Less: Bond			<u>14,410,000.00</u>	Improvement Authorizations - Unfunded			C-7	\$ 4,083,415.15
	Excess Bond Proceeds			<u>\$ 938,000.00</u>					
					Less: Unexpended Proceeds of Bond Anticipation Notes				
					Ord. 22-13			\$ 575,067.18	
					Ord. 23-13			<u>716,711.92</u>	<u>1,291,779.10</u>
							Above		<u>\$ 2,791,636.05</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023

C-7

Ord. No.	Improvement Description	Balance, December 31, 2022		2023 Authorizations		Balance, December 31, 2023							
		Funded	Unfunded	Deferred Charges to Future Taxation Unfunded	Grants	Reserve for Debt Service	Capital Improvement Fund	Reappropriation	Cancellations	Prior Year Contracts Payable Transferred	Paid or Charged	Funded	Unfunded
05-21/06-33	Various Capital Improvements										1,111.03		
05-22/14-19	Various Capital Improvements	\$ 47,747.76									38,208.62	\$ 9,539.14	
14-11	Various Capital Improvements	129,469.12									63,930.94	92,890.84	
15-10	Acquisition of Affordable Housing Unit	135,000.00									784.81	134,215.19	
16-04	Various Capital Improvements										31,772.74		
17-09	Acquisition of Sewer Capacity		\$ 528,076.54								15,189.85	512,886.69	
17-10	Acquisition of Property	153,000.00									889.45	152,110.55	
18-5	Various Improvements		26,504.26								45,993.63	1,006.03	
18-10/19-11	Market to Affordable Program		211,128.86								211,128.86		
19-09	Various Capital Improvements		234,506.06								82,146.68	227,729.15	
19-23	Saums Property		66,007.89								2,107.22	63,900.67	
20-20	Various Capital Improvements		220,333.24					\$ (74,170.00)			6,679.56	139,483.68	
20-31	Market Affordable Housing		368,384.18								32,852.56	335,531.62	
21-07	Various Improvements		457,129.44								250,476.37	401,911.88	
21-08	Acquisition of Various Equipment and Improvements	126,065.00							\$ 45,190.19		68,140.99	106,161.67	
21-09	Acquisition of Ambulance	2,830.60									261,495.60		
21-29	Acquisition of Property	2,193.20									12.75	2,180.45	
21-37	Various Improvements		144,388.40								16,003.12	139,460.68	
22-13	Various Capital Improvements		589,160.58								1,312,073.67		\$ 575,155.18
22-14	Various Capital Improvements	77,596.16									83,275.66	70,189.00	
22-29	Pur. Of Self-Contained Breathing Apparatus	3,788.30									9,311.70	3,188.30	
22-34	Acq. Of Police Administrative SUV's										115,487.34	14,512.66	
22-35	Pur. Of DPW Administrative SUV										43,676.79	1,323.21	
23-05	Refunding Tax Appeals										8,751.95		2,791,248.05
23-13	Various Capital Improvements										1,470,338.08		717,011.92
23-23	HVAC to the Municipal Building							74,170.00			37,280.22	36,889.78	
		\$ 677,660.14	\$ 2,845,619.45	\$ 4,816,300.00	\$ 69,730.00	\$ 12,721.00	\$ 88,599.00	\$ -	\$ 45,190.19	\$ 2,272,177.13	\$ 4,209,120.19	\$ 2,445,111.19	\$ 4,083,415.15
		C	C	C-6, C-20	C-4	C-12	C-8	C-12	Below	C-9	Below	C	C, C-6
							Cash Disbursements Contracts Payable Grants Receivable	Ref. C-2 C-9 C-4 Above			\$ 3,261,638.49 947,481.70 \$ 45,190.19 \$ 45,190.19		
											\$ 4,209,120.19		

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023

C-8

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 8,445.04
Increased by:		
Current Fund Budget Appropriation	C-2	<u>93,590.00</u>
		102,035.04
Decreased by:		
Appropriated to Finance Authorizations	C-7	<u>88,599.00</u>
Balance, December 31, 2023	C	<u><u>\$ 13,436.04</u></u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF CONTRACTS PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-9

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 2,272,177.13
Increased by:		
Charges to Improvement Authorizations	C-7	<u>947,481.70</u>
		3,219,658.83
Decreased by:		
Transferred to Improvement Authorizations	C-7	<u>2,272,177.13</u>
Balance, December 31, 2023	C	<u><u>\$ 947,481.70</u></u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2023

C-10

Issue	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2023			Balance, December 31, 2022	Increase	Decrease	Balance, December 31, 2023	
			Date	Amount	Interest Rate					
Refunding Bonds of 2014	6/26/2014	\$ 7,945,000	7/1/2024 7/1/2025	\$ 940,000 935,000	4.000 5.000	\$ 2,825,000.00	\$ 950,000.00	\$ 1,875,000.00		
General Obligation Bonds of 2015	8/4/2015	9,573,000	2/1/2024 2/1/2025 2/1/26-28	750,000 798,000 1,000,000	3.000 3.000 3.000	5,273,000.00	725,000.00	4,548,000.00		
General Obligation Bonds of 2017	4/27/2017	14,184,000	2/15/2024 2/15/2025 2/15/2026	350,000 350,000 450,000	5.000 5.000 5.000	1,500,000.00	350,000.00	1,150,000.00		
Refunding Bonds of 2017	7/6/2017	6,750,000	1/15/2024 1/15/2025 1/15/2026 1/15/2026 1/15/2027 1/15/2028 1/15/2029 1/15/2030 1/15/2031	425,000 485,000 150,000 720,000 865,000 865,000 865,000 850,000 835,000	4.000 5.000 4.000 5.000 5.000 5.000 5.000 3.000 3.000	6,430,000.00	370,000.00	6,060,000.00		
General Improvement Bonds of 2018	4/12/2018	6,278,000	3/1/2024 3/1/2025 3/1/2026	245,000 250,000 300,000	4.000 4.000 4.000	1,030,000.00	235,000.00	795,000.00		
General Improvement Bonds of 2020	4/15/2020	6,121,000	4/1/2024 4/1/2025 4/1/2026 4/1/2027 4/1/2028 4/1/2029 4/1/2030 4/1/2031 4/1/2032 4/1/2033 4/1/2034 4/1/2035 4/1/2036 4/1/2037 4/1/2038 4/1/2039 4/1/2040 4/1/2041	225,000 235,000 250,000 260,000 275,000 350,000 350,000 335,000 325,000 325,000 325,000 325,000 325,000 325,000 325,000 325,000 325,000 325,000 325,000	4.000 4.000 4.000 4.000 4.000 4.000 3.000 2.000 2.000 2.125 2.250 2.375 2.375 2.500 2.500 2.500 2.625 2.625	5,745,000.00	215,000.00	5,530,000.00		
General Improvement Bonds of 2023	4/26/2023	14,410,000	4/15/2024 4/15/2025 4/15/2026 4/15/2027 4/15/2028 4/15/2029 4/15/2030 4/15/2031 4/15/2032 4/15/2033 4/15/2034 4/15/2035 4/15/2036 4/15/2037 4/15/2038 4/15/2039 4/15/2040 4/15/2041 4/15/2042 4/15/2043	385,000 390,000 720,000 755,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000 760,000	4.000 4.000	\$ 14,410,000.00		14,410,000.00		
						<u>\$ 22,803,000.00</u>	<u>\$ 14,410,000.00</u>	<u>\$ 2,845,000.00</u>	<u>\$ 34,368,000.00</u>	
						Ref.	C	C-2, C-5, C-6	C-5	C
								\$ 2,445,000.00		
						Paid by Current Fund		400,000.00		
						Paid by Open Space Trust Fund		<u>\$ 2,845,000.00</u>		

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF RESERVE FOR ROAD IMPROVEMENTS
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	<u>C-11</u>
Balance, December 31, 2022	C	\$ 83,019.48
Decreased by:		
Amount Anticipated in Current Fund Budget	C-2	<u>83,019.48</u>
Balance, December 31, 2023	C	<u>\$ -</u>

STATEMENT OF RESERVE FOR DEBT SERVICE
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>		<u>C-12</u>
Balance, December 31, 2022	C		\$ 89,422.61
Increased by:			
Cash Receipts - Saums Property Sale	C-2	\$ 1,213,670.80	
Grant Proceeds Received in Current Fund	C-14	229,582.00	
Cash Receipts - Police Vehicle	C-2	12,721.00	
Cash Receipts - Veranno	C-2	<u>1,326,501.46</u>	
			<u>2,782,475.26</u>
			2,871,897.87
Decreased by:			
Amount Anticipated in Current Fund Budget	C-2	\$ 89,422.61	
Appropriated to Finance Authorizations	C-7	<u>12,721.00</u>	
			<u>102,143.61</u>
Balance, December 31, 2023	C		<u>\$ 2,769,754.26</u>

STATEMENT OF RESERVE FOR EMERGENCY VEHICLES
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	<u>C-13</u>
Balance, December 31, 2023 and 2022	C	<u>\$ 4,240.00</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2023

C-14

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ -
Increased by:		
Budget Appropriation - Deferred Charges Unfunded	C-6	\$ 150,000.00
Grant Received in Current Fund	C-12	229,582.00
Cash Disbursements to Current Fund	C-2	<u>2,900,000.00</u>
		3,279,582.00
Decreased by:		
Interest Earned	C-2	<u>39,381.36</u>
Balance, December 31, 2023	C	<u>\$ 3,240,200.64</u>

STATEMENT OF DUE TO OPEN SPACE TRUST TRUST FUND
YEAR ENDED DECEMBER 31, 2023

C-15

	<u>Ref.</u>	
Increased by:		
Cash Receipts	C-2	<u>\$ 30,883.98</u>
Balance, December 31, 2023	C	<u>\$ 30,883.98</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-16

Ordinance Number	Improvement Description	Original Issue	Date of Maturity	Rate of Interest	Balance, December 31, 2022	Notes Issued	Notes Redeemed	Balance, December 31, 2023
16-4	Various Improvements	2/3/2016	4/27/2023	1.75%	\$ 6,000.00		\$ 6,000.00	-
17-07	Various Improvements	1/30/2018	4/27/2023	1.75%	1,169,825.00		1,169,825.00	-
17-08	Reacquire Available Sewer Capacity	1/30/2018	4/27/2023	1.75%	375,400.00		375,400.00	-
17-09	Reacquire Available Sewer Capacity	1/30/2018	4/27/2023	1.75%	3,333,400.00		3,333,400.00	-
17-12	Acquisition of Property - Affordable Housing	1/30/2018	4/27/2023	1.75%	819,750.00		819,750.00	-
18-5	Various Improvements	1/28/2019	4/27/2023	1.75%	1,540,200.00		1,540,200.00	-
18-10	Market to Affordable Housing Program	1/28/2019	4/27/2023	1.75%	708,100.00		708,100.00	-
19-09	Various Capital Improvements	4/29/2020	4/27/2023	1.75%	1,351,820.00		1,351,820.00	-
19-20	Acquisition of Fire Truck	4/29/2020	4/27/2023	1.75%	664,685.00		664,685.00	-
19-23	Saums Property	4/28/2021	4/27/2023	1.75%	1,359,523.00		1,359,523.00	-
20-20	Various Capital Improvements	4/28/2021	4/27/2023	1.75%	204,962.00		204,962.00	-
20-27	Acquisition of Property - Gerison	4/28/2021	4/27/2023	1.75%	275,955.00		275,955.00	-
20-31	Market Affordable Housing	4/28/2021	4/27/2023	1.75%	1,404,250.00		1,404,250.00	-
21-07	Various Improvements	4/27/2022	4/27/2023	1.75%	1,300,800.00		1,300,800.00	-
21-37	Various Improvements	4/27/2022	4/27/2023	1.75%	833,330.00		833,330.00	-
22-13	Various Capital Improvements	10/3/2023	10/2/2024	4.50%		\$ 1,876,000.00		\$ 1,876,000.00
23-13	Various Capital Improvements	10/3/2023	10/2/2024	4.50%		2,016,000.00		2,016,000.00
					\$ 15,348,000.00	\$ 3,892,000.00	\$ 15,348,000.00	\$ 3,892,000.00

	Ref.	C	Below	Above	C, C-6
Issued for Cash					
Paid by Bond Proceeds	C-2, C-20		\$ 3,892,000.00		
	C-2			15,348,000.00	
	Above		\$ 3,892,000.00	\$ 15,348,000.00	

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF GREEN ACRES LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-17

	<u>Ref.</u>		
Balance, December 31, 2022	C		\$ 88,787.81
Decreased by:			
Loans Paid by Budget Appropriation	C-5	\$ 59,049.92	
Adjustment to Loan Amount	C-5	<u>867.95</u>	
			<u>59,917.87</u>
Balance, December 31, 2023	C, Below		<u><u>\$ 28,869.94</u></u>

Analysis of Balance

N.J. Infrastructure:			
2004	Above		<u><u>\$ 28,869.94</u></u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF RESERVE FOR GREEN TRUST
YEAR ENDED DECEMBER 31, 2023

C-18

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 25,588.42
Increased by:		
Cash Receipts	C-2	<u>12.80</u>
Balance, December 31, 2023	C	<u><u>\$ 25,601.22</u></u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF DUE FROM FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2023

C-19

	<u>Ref.</u>	
Balance, December 31, 2023 and 2022	C	<u>\$ 17,093.00</u>

TOWNSHIP OF READINGTON
GENERAL CAPITAL FUND

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023

C-20

<u>Ord No.</u>	<u>Improvement Description</u>	<u>Balance December</u> <u>31, 2022</u>	<u>2023</u> <u>Authorizations</u>	<u>Funded by</u> <u>Budget</u> <u>Appropriation</u>	<u>Notes Issued</u>	<u>Balance December</u> <u>31, 2023</u>
03-24/04-27	Acquisition of Property - D'Urso	\$ 805,224.00		\$ 33,000.00		\$ 772,224.00
22-13	Various Capital Improvements	1,876,088.00			\$ 1,876,000.00	88.00
22-34	Acq. Of Police Administrative SUV's	117,000.00		117,000.00		-
23-05	Refunding Tax Appeals		\$ 2,800,000.00			2,800,000.00
23-13	Various Capital Improvements		2,016,300.00		2,016,000.00	300.00
		<u>\$ 2,798,312.00</u>	<u>\$ 4,816,300.00</u>	<u>\$ 150,000.00</u>	<u>\$ 3,892,000.00</u>	<u>\$ 3,572,612.00</u>
<u>Ref.</u>		C	C-6, C-7	C-2, C-6	C-16	C

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF CASH - SEWER TREASURER
YEAR ENDED DECEMBER 31, 2023

D-4

	<u>Ref.</u>	<u>Operating Fund</u>
Balance, December 31, 2022	D	\$ 1,462,747.11
Increased by Receipts:		
Consumer Accounts Receivable	D-5	\$ 1,515,259.76
User Fees from Other Contracts	D-2	517,216.26
Miscellaneous	D-2	58,486.21
Sewer Overpayments	D-8	560.74
Reserve for Sewer Expansion	D-11	7,238.72
Prepaid Rents	D-9	3,759.71
		<u>2,102,521.40</u>
		3,565,268.51
Decreased by Disbursements:		
2023 Appropriation Expenditures	D-3	2,045,594.34
2022 Appropriation Reserve Expenditures	D-6	99,483.85
Cash Disbursements to Current Fund	D-12	173,358.91
		<u>2,318,437.10</u>
Balance, December 31, 2023	D	<u>\$ 1,246,831.41</u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-5

	<u>Ref.</u>		
Balance, December 31, 2022	D		\$ 118,826.22
Increased by:			
Sewer User Charges Levied			<u>1,562,709.63</u>
			1,681,535.85
Decreased by:			
Sewer Overpayments Applied	D-8	\$ 1,333.91	
Prepaid Sewer Rents Applied	D-9	5,266.85	
Transfers to Sewer Utility Liens	D-10	460.00	
Collections	D-4	<u>1,515,259.76</u>	
			<u>1,522,320.52</u>
Balance, December 31, 2023	D		<u><u>\$ 159,215.33</u></u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF 2022 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-6

	Balance December 31, 2022		Balance After Transfers	Paid or Charged	Balance Lapsed
	Unencumbered	Encumbered			
	\$	\$			
Operating:					
Other Expenses	\$ 45,871.39	\$ 29,550.89	\$ 75,422.28	\$ 40,031.85	\$ 35,390.43
Service Fees - RLSA	1,603.00		1,603.00		1,603.00
Service Fees - RTMUA	131,800.22		131,800.22	59,452.00	72,348.22
Total Operating	179,274.61	29,550.89	208,825.50	99,483.85	109,341.65
Capital Improvements:					
Capital Outlay	90,000.00		90,000.00		90,000.00
	\$ 269,274.61	\$ 29,550.89	\$ 298,825.50	\$ 99,483.85	\$ 199,341.65
<u>Ref.</u>	D, D-7	D		D-4	D-1

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-7

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 29,550.89
Increased by:		
Charges to 2023 Budget	D-3	54,912.07
		<u>84,462.96</u>
Decreased by:		
Restored to 2022 Appropriation Reserves	D-6	<u>29,550.89</u>
Balance, December 31, 2023	D	<u><u>\$ 54,912.07</u></u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-8

	<u>Ref.</u>		
Balance, December 31, 2022	D		\$ 1,403.91
Increased by:			
Cash Receipts	D-4		560.74
			1,964.65
Decreased by:			
Cancelled	D-1	\$ 143.00	
Applied to Consumer Accounts Receivable	D-5	1,333.91	
			1,476.91
Balance, December 31, 2023	D		\$ 487.74

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF PREPAID RENTS
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-9

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 5,266.85
Increased by:		
Cash Receipts	D-4	<u>3,759.71</u>
		9,026.56
Decreased by:		
Applied to Consumer Accounts Receivable	D-5	<u>5,266.85</u>
Balance, December 31, 2023	D	<u><u>\$ 3,759.71</u></u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF SEWER UTILITY LIENS
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-10

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 490.60
Increased by:		
Transfers from Consumer Accounts Receivable	D-5	<u>460.00</u>
Balance, December 31, 2023	D	<u>\$ 950.60</u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF RESERVE FOR SEWER EXPANSION
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-11

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 218,819.84
Increased by:		
Interest	D-4	<u>7,238.72</u>
Balance, December 31, 2023	D	<u><u>\$ 226,058.56</u></u>

TOWNSHIP OF READINGTON
SEWER UTILITY FUND

STATEMENT OF DUE FROM CURRENT FUND
SEWER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2023

D-12

	<u>Ref.</u>	
Increased by:		
Cash Disbursements to Current Fund	D-1	<u>\$ 173,358.91</u>
Balance, December 31, 2023	D	<u><u>\$ 173,358.91</u></u>

**TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY**

PART III

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2023



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*

Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Committee
Township of Readington
Whitehouse Station, 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the regulatory basis financial statements of the Township of Readington, New Jersey ("Township") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated May 22, 2024 in which we expressed an adverse opinion on the conformity of the 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.

Report on Internal Control Over Financial Reporting

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

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 or significant deficiencies may exist that were not identified.

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

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**The Honorable Mayor and Members
of the Township Committee
Township of Readington
Page 2**

We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division and which is described in the accompanying schedule of findings and responses as item 2023-001.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the findings identified in our audit and described in the accompanying schedule of finding and responses. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
May 22, 2024



Gary Higgins, CPA
Registered Municipal Accountant, No. 405

**TOWNSHIP OF READINGTON
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part I – Summary of Auditor's Results

Financial Statements

- A) Type of auditors' report issued on financial statements Unmodified - Regulatory Basis, Adverse - US GAAP
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified _____ yes X no
- 2) Significant deficiency(ies) that are not
 considered to be material weakness(es)? X yes _____ none reported
- C) Noncompliance material to the financial
 statements noted? X yes _____ no

**TOWNSHIP OF READINGTON
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2023-001: SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL AND COMPLIANCE FINDING

Our audit indicated the Township did not properly maintain the books of original entry and general ledgers for the calendar year 2023.

Criteria or specific requirement:

- Financial reporting requirements promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Condition:

See Finding 2023-001.

Questioned Costs:

None.

Context:

During our audit procedures, we identified certain account balances in the Current Fund that were not reconciled to the subsidiary ledgers and underlying records and schedules at year end.

The following are specific items that warrant consideration related to the financial records maintenance process:

- The Township did not provide an accurate and complete Current Fund bank reconciliation for the months of September 2023 through December 2023.
- Certain general ledger balances in the Current Fund were materially misstated and not in agreement with subsidiary records and the bank reconciliation at December 31, 2023.
- Interfunds were not reconciled and cleared of record as of December 31, 2023.

Cause:

Unknown

**TOWNSHIP OF READINGTON
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part II – Schedule of Financial Statement Findings

Effect:

The records provided for the audit did not properly represent the Current Fund financial transactions of the Township for the calendar year 2023. Numerous reconciliations and significant adjusting journal entries were required to adjust the financial records to properly state the 2023 financial operations and the December 31, 2023 balances.

Recommendation:

The Township properly maintain the books of original entry and general ledger, prepare monthly bank reconciliations and reconcile all general ledger balances to subsidiary records for the Current Fund.

Management's Response:

Management has reviewed this finding and has indicated that corrective action will be taken.

**TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY**

PART IV

**ROSTER OF OFFICIALS
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023**

TOWNSHIP OF READINGTON
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2023

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Juergen Huelsebusch	Mayor/Committeeman		
Adam Mueller	Deputy Mayor/Committeeman		
John Albanese	Committeeman		
Vincent Panico	Committeeman		
Jonathan Heller	Committeeman		
Richard J. Sheola	Township Administrator, Qualified Purchasing Agent, Interim Chief Financial Officer (October 3, 2023 – December 31, 2023)	(B)	Public Alliance Insurance Joint Ins. Fund
Karin Parker	Township Clerk	(B)	Public Alliance Insurance Joint Ins. Fund
Michael Balogh	Tax Collector; Sewer Utility Collector; Tax Search Officer	(A)	Public Alliance Insurance Joint Ins. Fund
Laura Whitaker	Tax Assessor	(B)	Public Alliance Insurance Joint Ins. Fund
Thomas M. Ferry	Director of Finance; Chief Financial Officer; Treasurer (January 1, 2023 – October 2, 2023)	(A)	Public Alliance Insurance Joint Ins. Fund
Sharon Dragan	Township Attorney		
Stephen Davis, Esq.	Municipal Prosecutor		
Thomas Petto	Construction Code Official	(B)	Public Alliance Insurance Joint Ins. Fund
Robert J. Clerico	Engineer	(B)	Public Alliance Insurance Joint Ins. Fund

(A) Surety bond coverage is provided as follows:

- Public Alliance Insurance Joint Ins. Fund - \$50,000 Basic Coverage
- Municipal Excess Liability Joint Insurance Fund - \$1,000,000 Excess coverage

(B) All employees, who are not specifically bonded, are covered under \$50,000 and \$1,000,000 Faithful Performance Bonds provided by Public Alliance Insurance Joint Ins. Fund And the Municipal Excess Liability Joint Insurance Fund, respectively.

TOWNSHIP OF READINGTON GENERAL COMMENTS

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

N.J.S.A. 40A:11-4, as amended, states “Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c), except by contract or agreement.”

It is pointed out that the Township Committee has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The bidding threshold for the period under audit is \$44,000 in accordance with the provisions of N.J.S.A. 40A:11-3c based on the appointment of a qualified purchasing agent. No exceptions were noted in the testing of local public contracts law.

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

N.J.S.A. 40A:11-6.1 states, “Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder.”

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Collection of Interest on Delinquent Taxes and Other Municipal Charges

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution in January 2023 authorizing interest to be charged on delinquent taxes, assessments and utility bills:

“WHEREAS, R.S. 54:4-66 regulates the due dates for the payment of taxes and assessments,
and

WHEREAS, Chapter 105, P.L. 1965, amending R.S. 54:4-67 authorizes the municipalities to provide a grace period not exceeding ten (10) days.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of Readington that the Collector is hereby authorized to allow a period of ten (10) days grace from the installment due date before charging interest; after ten (10) days, interest reverts back to the due date, and

BE IT FURTHER RESOLVED that the rate of interest to be charged for the payment of taxes or assessments or sewer utility bills, when they become delinquent, shall be at the rate of eight percent (8%) per annum on the first \$1,500 of the delinquency, and eighteen percent (18%) per annum in the excess of \$1,500 and an additional penalty of six percent (6%) on any delinquency in excess of \$10,000 for the prior year.

General Comments

Tests of the Tax Collector's records indicate that interest was collected in accordance with the provisions of the foregoing ordinance.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 19, 2023. Amounts not included in this sale were for amounts in litigation.

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>
2023	6
2022	6
2021	5

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. No exceptions were noted.

Purchase Order System and Encumbrance System

The Township's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed no exceptions during 2022. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

2023-002:

The audit indicated that various purchase orders for goods or services were not encumbered prior to the goods being received, the services being rendered or contracts being awarded.

It is recommended that the Township review and enhance its internal controls over the Township's Encumbrance accounting system.

2023-003:

The audit indicated an instance that a purchase through a cooperative purchasing agreement that exceeded the bid threshold was not approved in minutes

It is recommended that the Township approve all purchases that exceed the bid threshold by resolution.

Other Comments

2023-004:

The audit indicated that Animal Control license records were nonsequential for issuance of licenses during the year.

It is recommended that the Township review and enhance its internal controls over the Animal Control license process to ensure that sequential licensing is completed.

Other Comments (continued)

2023-005:

The audit indicated that the Township did not timely file the report on the operations of the Uniform Construction Code office.

It is recommended that the Township ensure that the annual report on the operations of the Uniform Construction Code office is filed timely.

2023-006:

The audit indicated that various Trust Reserves established by the Township were not approved by the State.

It is recommended that the Township apply for approval from the State, spend down the funds, or move the funds to other reserves.

Status of Prior Years' Audits Recommendations

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A plan was prepared for items found in the CY 2022 Report on Examination of Accounts. A review was performed on all prior years' recommendations and findings and corrective action was taken on all except the ones denoted with an (*) under the reported recommendations.

Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on the basis of a statistical sampling of claims approved and paid. No attempt was made in this connection to establish proof of prices or receipts of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from employees' individual gross salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittance to authorized agencies of the amounts deducted were ascertained.

A copy of this report was filed with the State of New Jersey, Director of the Division of Local Government Services, Department of Community Affairs.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

RECOMMENDATIONS

It is recommended that:

- | | |
|-----------|---|
| 2023-001 | The Township properly maintain the books of original entry and general ledger, prepare monthly bank reconciliations and reconcile all general ledger balances to subsidiary records for the current fund. |
| 2023-002* | Internal controls over the Township's encumbrance accounting system be reviewed and enhanced. |
| 2023-003 | The Township approve all purchases made through cooperative purchasing agreements that exceed the bid threshold by resolution. |
| 2023-004* | Animal Control licenses be issued sequentially throughout the fiscal year. |
| 2023-005 | Township ensure that the annual report on the operations of the Uniform Construction Code office is filed timely. |
| 2023-006 | Township apply for approval from the State, spend down the funds, or move the funds to other reserves. |

* - Represents a recommendation repeated from the prior year.

We shall be pleased to confer with the Mayor and Township Committee on questions that might arise with respect to any matters in this report.

We would like to express our appreciation for the assistance and effort rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
May 22, 2024

Gary Higgins

Gary Higgins, CPA
Registered Municipal Accountant, No. 405