

*TOWNSHIP OF FRANKLIN
COUNTY OF GLOUCESTER*

REPORT OF AUDIT

FOR THE YEAR 2024

TOWNSHIP OF FRANKLIN
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TOWNSHIP OF FRANKLIN

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Franklin
County of Gloucester
Franklinville, New Jersey 08322

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2024 and 2023, and the related statements of operations and changes in reserve for future use and fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2024, 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 Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2024 and 2023, and the results of its operations and changes in reserve for future use and fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2024, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of December 31, 2024 and 2023, or the results of its operations and changes in reserve for future use and fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 opinions.

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter***Change in Accounting Principle***

As discussed in note 1 to the financial statements, during the year ended December 31, 2024, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 or 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.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we (cont'd):

- Conclude whether, in our judgment, 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.

Supplementary Information

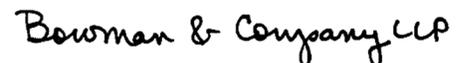
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2025 on our consideration of the Township of Franklin'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 of Franklin'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 of Franklin's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 21, 2025

**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 AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Franklin
County of Gloucester
Franklinville, New Jersey 08322

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Franklin, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 21, 2025. That report indicated that the Township of Franklin's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle.

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.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

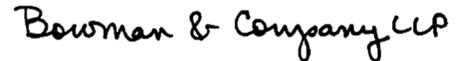
Report on Compliance and Other Matters

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 21, 2025

TOWNSHIP OF FRANKLIN
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2024 and 2023

| | Ref. | 2024 | 2023 |
|---|-------|-------------------------|-------------------------|
| Assets: | | | |
| Regular Fund: | | | |
| Cash - Chief Financial Officer | SA-1 | \$ 1,659,007.96 | \$ 2,331,128.13 |
| Cash - Tax Collector | SA-2 | 4,038,566.19 | 5,316,769.26 |
| Cash - Change Fund | SA-3 | 300.00 | 350.00 |
| | | <u>5,697,874.15</u> | <u>7,648,247.39</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | SA-4 | 819,520.82 | 838,070.84 |
| Tax Title Liens Receivable | SA-5 | 889,195.44 | 801,943.60 |
| Property Acquired / Assessed Valuation | A | 1,077,400.00 | 1,077,400.00 |
| Revenue Accounts Receivable | SA-8 | 26,604.96 | 25,913.30 |
| Land Sale Receivable | A | 19,470.00 | 19,470.00 |
| Due from Borough of Newfield | SA-21 | 1,761.12 | 1,761.12 |
| Due from County - Election Costs | SA-19 | 3,100.00 | 4,200.00 |
| Due from Trust - Other Fund | SB-5 | 393.49 | 355.92 |
| | | <u>2,837,445.83</u> | <u>2,769,114.78</u> |
| Deferred Charges: | | | |
| Emergency Authorization (40A: 4-46) | SA-6 | 265,250.00 | |
| | | <u>265,250.00</u> | <u>-</u> |
| | | <u>8,800,569.98</u> | <u>10,417,362.17</u> |
| Federal, State and Other Grant Fund: | | | |
| Grants Receivable | SA-24 | 2,662,439.74 | 779,884.17 |
| Due from Current Fund | SA-23 | 652,449.78 | 658,051.43 |
| | | <u>3,314,889.52</u> | <u>1,437,935.60</u> |
| | | <u>\$ 12,115,459.50</u> | <u>\$ 11,855,297.77</u> |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2024 and 2023

| | Ref. | 2024 | 2023 |
|---|----------|-------------------------|-------------------------|
| Liabilities, Reserves and Fund Balance: | | | |
| Regular Fund: | | | |
| Appropriation Reserves | A-3;SA-9 | \$ 1,400,927.11 | \$ 977,581.26 |
| Reserve for Encumbrances | A-3;SA-9 | 45,835.27 | 71,858.81 |
| Due to State of New Jersey - Veterans and Senior Citizens Deductions | SA-7 | 1,290.93 | 2,152.54 |
| Prepaid Taxes | SA-10 | 635,066.67 | 745,939.77 |
| Tax Overpayment | SA-11 | 43,471.10 | 9,483.53 |
| Due to County for Added and Omitted Taxes | SA-13 | 44,533.33 | 62,868.26 |
| Due to Local School District | SA-14 | | 722,586.98 |
| Regional High School District Taxes Payable | SA-15 | | 252,139.52 |
| Special District Taxes Payable | SA-16 | | 0.50 |
| Due to Library | SA-22 | | 42,873.36 |
| Due to State of New Jersey: | | | |
| Marriage Fees | SA-17 | 575.00 | 425.00 |
| Uniform Construction Code Fees | SA-20 | 10,884.00 | 8,414.00 |
| Reserve for Open Space Pilot Aid | A-2 | | 1,284.00 |
| Reserve for Municipal Relief Fund | A-2 | | 150,842.02 |
| Reserve for Insurance Claims | SA-1 | | 205,350.00 |
| Due to Federal, State and Other Grant Fund | SA-23 | 652,449.78 | 658,051.43 |
| Due to General Capital Fund | SC-10 | 102,439.74 | |
| Other Reserves - Senior Citizens' Activities | A | | 1,969.83 |
| | | <u>2,937,472.93</u> | <u>3,913,820.81</u> |
| Reserves for Receivables | A | 2,837,445.83 | 2,769,114.78 |
| Fund Balance | A-1 | <u>3,025,651.22</u> | <u>3,734,426.58</u> |
| | | <u>8,800,569.98</u> | <u>10,417,362.17</u> |
| Federal, State and Other Grant Fund: | | | |
| Reserves for Federal and State Grants: | | | |
| Unappropriated | SA-25 | 12,773.10 | 13,697.38 |
| Appropriated | SA-26 | 2,940,590.52 | 1,379,816.04 |
| Reserve for Encumbrances | SA-26 | 361,525.90 | 44,422.18 |
| | | <u>3,314,889.52</u> | <u>1,437,935.60</u> |
| | | <u>\$ 12,115,459.50</u> | <u>\$ 11,855,297.77</u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF FRANKLIN
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|--|----------------------|----------------------|
| <u>Revenue and Other Income Realized:</u> | | |
| Fund Balance Utilized | \$ 2,400,000.00 | \$ 1,862,477.00 |
| Miscellaneous Revenues Anticipated | 7,397,528.02 | 4,840,382.87 |
| Receipts from Delinquent Taxes | 817,185.87 | 863,639.75 |
| Receipts from Current Taxes | 47,262,570.44 | 45,855,136.83 |
| Non-budget Revenues | 211,169.93 | 1,540,241.72 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 843,006.13 | 878,386.51 |
| Interfund Returned | | 95.00 |
| Tax Overpayments Canceled | 2,626.62 | |
| Liquidation of Change Fund | 50.00 | |
| Cancellation of Federal, State and Other Grants Appropriated | 380,468.20 | 229,939.74 |
| Cancellation of Accounts Payable | | 35,341.92 |
| | <u>59,314,605.21</u> | <u>56,105,641.34</u> |
| <u>Expenditures:</u> | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS": | | |
| Salaries and Wages | 4,965,090.31 | 4,349,592.00 |
| Other Expenses | 6,299,258.69 | 5,507,996.00 |
| Deferred Charges and Statutory Expenditures | 1,789,388.80 | 1,747,928.00 |
| Appropriations Excluded from "CAPS": | | |
| Salaries and Wages | 1,590,142.22 | 1,470,000.00 |
| Other Expenses | 3,350,835.15 | 1,795,238.30 |
| Municipal Debt Service | 1,020,573.00 | 734,631.19 |
| Deferred Charges | 840.00 | |
| Judgements | 275,250.00 | |
| County Taxes | 9,375,108.13 | 9,322,206.86 |
| Due County for Added and Omitted Taxes | 44,533.33 | 62,868.26 |
| Local District School Tax | 12,391,482.00 | 11,866,314.00 |
| Regional High School Tax | 13,967,661.00 | 13,511,693.00 |
| Special District Taxes | 2,193,480.10 | 2,133,361.96 |
| Municipal Open Space Tax | 126,083.22 | 125,451.36 |
| Cancellation of Grant Receivable in General Capital Fund | 102,439.74 | |
| Refund of Prior Year Revenues | 2,340.80 | 488.87 |
| Cancellation of Federal, State and Other Grants Receivable | 383,451.20 | 232,939.74 |
| Senior Citizen and Veterans Deduction Disallowed | 10,635.31 | 10,182.87 |
| Interfund Created | 37.57 | 322.67 |
| | <u>57,888,630.57</u> | <u>52,871,215.08</u> |
| Excess in Revenues (Carried Forward) | 1,425,974.64 | 3,234,426.26 |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2024

| | Anticipated Budget | Special N.J.S.A. 40A:4-87 | Realized | Excess or (Deficit) |
|---|-------------------------|------------------------------|-------------------------|------------------------|
| Fund Balance Anticipated | \$ 2,400,000.00 | \$ - | \$ 2,400,000.00 | \$ - |
| Miscellaneous Revenues: | | | | |
| Fines and Costs: | | | | |
| Municipal Court | 300,000.00 | | 386,319.91 | 86,319.91 |
| Fees: | | | | |
| Licenses - Alcoholic Beverages | 37,938.00 | | 35,438.00 | (2,500.00) |
| Other | 2,542.00 | | 4,330.00 | 1,788.00 |
| Fees and Permits - Certificate of Occupancy | 105,000.00 | | 105,234.06 | 234.06 |
| Interest and Costs on Taxes | 180,000.00 | | 168,784.84 | (11,215.16) |
| Interest on Investments and Deposits | 9,000.00 | | 11,549.30 | 2,549.30 |
| Housing Inspection Fees | | | 25,900.00 | 25,900.00 |
| Energy Receipts Tax (P.L. 1997, Chapters 162 & 167) | 1,463,400.00 | | 1,463,400.20 | 0.20 |
| Open Space Pilot Aid | 6,832.00 | | 6,832.00 | |
| Open Space Pilot Aid (2023 Reserve) | 1,284.00 | | 1,284.00 | |
| Municipal Relief Fund | 150,842.02 | | 150,842.02 | |
| Uniform Construction Codes Fees | 300,000.00 | | 425,657.00 | 125,657.00 |
| Public and Private Revenues Offset With Appropriations: | | | | |
| Body Armor Grant | 3,059.52 | | 3,059.52 | |
| Municipal Alliance on Alcoholism and Drug Abuse | 7,500.00 | | 7,500.00 | |
| JIF Optional Safety Budget Program | 3,500.00 | | 3,500.00 | |
| JIF Wellness Reimbursement | 1,250.00 | | 1,250.00 | |
| TRICO JIF Cyber Security | 2,500.00 | | 2,500.00 | |
| NJDOT - Williamstown Road | 243,650.00 | | 243,650.00 | |
| Recycling Tonnage Grants | 49,791.92 | | 49,791.92 | |
| Clean Communities Grant | 63,238.40 | | 63,238.40 | |
| Click it or Ticket | | 3,640.00 | 3,640.00 | |
| Distracted Driving Grant | 5,600.00 | | 5,600.00 | |
| Drunk Driving Enforcement Grant | 45,645.00 | 23,897.22 | 69,542.22 | |
| Aggressive Driving Patrol Grant | 4,200.00 | | 4,200.00 | |
| Bulletproof Vest Partnership Grant | | 2,419.71 | 2,419.71 | |
| National Opioids Settlement Service | 58,702.41 | 39,989.41 | 98,691.82 | |
| Drive Sober Or Get Pulled Over | | 4,200.00 | 4,200.00 | |
| DWI Checkpoint | | 5,880.00 | 5,880.00 | |
| Lead Remediation and Abatement | | 2,000,000.00 | 2,000,000.00 | |
| U Text, U Drive, U Pay | | 7,000.00 | 7,000.00 | |
| Shared Service Agreements: | | | | |
| Township of Buena - Joint Municipal Court | 80,000.00 | | 80,000.00 | |
| Borough of Newfield - Police Services | 450,000.00 | | 450,000.00 | |
| Township of Buena - Police Services | 1,119,866.00 | | 1,119,866.00 | |
| Other Special Items with Prior Written Consent: | | | | |
| Uniform Fire Safety Act | 40,000.00 | | 52,449.11 | 12,449.11 |
| Franchise Fees - Cable Television | 73,720.01 | | 73,720.01 | |
| Local Cannabis Tax Revenue | 12,000.00 | | 134,239.03 | 122,239.03 |
| Reserve for Debt Service | 126,018.95 | | 126,018.95 | |
| | <u>4,947,080.23</u> | <u>2,087,026.34</u> | <u>7,397,528.02</u> | <u>363,421.45</u> |
| Receipts from Delinquent Taxes | <u>879,000.00</u> | | <u>817,185.87</u> | <u>(61,814.13)</u> |
| Subtotal General Revenues | 8,226,080.23 | 2,087,026.34 | 10,614,713.89 | 301,607.32 |
| Amount to be Raised by Taxes for | | | | |
| Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | 9,304,339.70 | | 9,527,940.76 | 223,601.06 |
| Minimum Library Tax | 617,564.78 | | 617,564.78 | |
| | <u>9,921,904.48</u> | <u>-</u> | <u>10,145,505.54</u> | <u>223,601.06</u> |
| Budget Totals | 18,147,984.71 | 2,087,026.34 | 20,760,219.43 | 525,208.38 |
| Nonbudget Revenues | | | <u>211,169.93</u> | <u>211,169.93</u> |
| | <u>\$ 18,147,984.71</u> | <u>\$ 2,087,026.34</u> | <u>\$ 20,971,389.36</u> | <u>\$ 736,378.31</u> |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2024

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

| | |
|---|--------------------------------|
| Revenue from Collections | \$ 47,262,570.44 |
| Allocated to: | |
| Open Space, Schools, County, and Special District Taxes | <u>38,098,347.78</u> |
| Balance for Support of Municipal Budget Revenues | 9,164,222.66 |
| Add: | |
| Appropriation: "Reserve for Uncollected Taxes" | <u>981,282.88</u> |
| Amount for Support of Municipal Budget Appropriations | <u><u>\$ 10,145,505.54</u></u> |

Receipts from Delinquent Taxes:

| | |
|----------------------------|-----------------------------|
| Delinquent Tax Collections | \$ 806,573.46 |
| Tax Title Lien Collections | <u>10,612.41</u> |
| | <u><u>\$ 817,185.87</u></u> |

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

| | |
|---|-----------------------------|
| Fire Company Insurance Reimbursements | \$ 65,208.00 |
| Refunds | 1,376.17 |
| Prior Year Reimbursements | 31,463.35 |
| NJMVC Fines | 8,274.68 |
| Recycling Fees | 11,961.05 |
| Newfield Court | 14,000.00 |
| NSF and Void Checks | 1,058.20 |
| Clerk Miscellaneous | 3,968.69 |
| Community Center Rental | 2,125.00 |
| Tax Collector Miscellaneous | 140.00 |
| Clear Channel | 325.00 |
| Sale of Equipment | 48,949.57 |
| Tax Sale Premium Forfeiture | 4,200.00 |
| Senior Citizens and Veterans Administrative Fee | 2,348.91 |
| Other Miscellaneous | <u>15,771.31</u> |
| | <u><u>\$ 211,169.93</u></u> |

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

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2024

| | Appropriations | | Paid or Charged | | | Unexpended Balance Canceled |
|--|----------------|------------------------------|-----------------|------------|-----------|-----------------------------------|
| | Budget | Budget After Modification | Expended | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS": | | | | | | |
| GENERAL GOVERNMENT FUNCTIONS: | | | | | | |
| Mayor and Committee: | | | | | | |
| Salaries and Wages | \$ 22,000.00 | \$ 22,000.00 | \$ 21,999.84 | | \$ 0.16 | \$ |
| Other Expenses | 2,800.00 | 2,800.00 | 680.00 | | 2,120.00 | |
| Municipal Clerk: | | | | | | |
| Salaries and Wages | 105,000.00 | 105,000.00 | 102,762.50 | | 2,237.50 | |
| Other Expenses | 33,000.00 | 36,000.00 | 24,839.94 | 154.96 | 11,005.10 | |
| Financial Administration - Treasury: | | | | | | |
| Salaries and Wages | 115,000.00 | 120,000.00 | 112,294.56 | | 7,705.44 | |
| Other Expenses | 17,250.00 | 17,250.00 | 12,422.39 | | 4,827.61 | |
| Audit Services: | | | | | | |
| Other Expenses | 80,000.00 | 80,000.00 | 69,700.00 | | 10,300.00 | |
| Data Processing Center: | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 10,891.10 | | 4,108.90 | |
| Township Administrator: | | | | | | |
| Salaries and Wages | 167,500.00 | 197,000.00 | 168,016.72 | | 28,983.28 | |
| Other Expenses | 108,250.00 | 108,250.00 | 72,489.39 | 399.48 | 35,361.13 | |
| Tax Collection: | | | | | | |
| Salaries and Wages | 115,000.00 | 115,000.00 | 110,228.17 | | 4,771.83 | |
| Other Expenses | 40,000.00 | 40,000.00 | 33,659.31 | | 6,340.69 | |
| Legal Services: | | | | | | |
| Other Expenses | 290,000.00 | 252,500.00 | 155,235.40 | | 97,264.60 | |
| Engineering Services: | | | | | | |
| Other Expenses | 150,000.00 | 150,000.00 | 81,855.11 | | 68,144.89 | |
| Economic Development: | | | | | | |
| Salaries and Wages | 500.00 | 500.00 | | | 500.00 | |
| Other Expenses | 500.00 | 500.00 | 61.98 | | 438.02 | |
| Other Code Enforcement: | | | | | | |
| Salary and Wages | 20,000.00 | 20,000.00 | 19,456.25 | | 543.75 | |
| Other Expenses | 1,000.00 | 1,000.00 | 681.46 | | 318.54 | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 243,000.00 | 243,000.00 | 225,962.17 | | 17,037.83 | |
| Other Expenses | 66,550.00 | 66,550.00 | 52,511.84 | 264.15 | 13,774.01 | |
| Public Defender | 12,000.00 | 12,000.00 | 7,500.00 | | 4,500.00 | |
| Municipal Land Use Law (N.J.S.A 40:55D-1): | | | | | | |
| Planning Board: | | | | | | |
| Salaries and Wages | 11,000.00 | 11,000.00 | 10,286.30 | | 713.70 | |
| Other Expenses | 33,100.00 | 33,100.00 | 24,567.38 | 17.40 | 8,515.22 | |
| Zoning Board: | | | | | | |
| Salaries and Wages | 36,500.00 | 36,500.00 | 35,786.31 | | 713.69 | |
| Other Expenses | 11,750.00 | 11,750.00 | 1,984.97 | | 9,765.03 | |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2024

| | Appropriations | | Paid or Charged | | | Unexpended Balance Canceled |
|---|-----------------|------------------------------|-----------------|------------|--------------|-----------------------------------|
| | Budget | Budget After Modification | Expended | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS" (CONT'D): | | | | | | |
| PUBLIC WORKS FUNCTIONS: | | | | | | |
| Department of Public Works: | | | | | | |
| Salary and Wages | \$ 1,073,000.00 | \$ 1,073,000.00 | \$ 1,027,286.87 | \$ | \$ 45,713.13 | \$ |
| Other Expenses | 223,750.00 | 223,750.00 | 199,453.25 | 147.03 | 24,149.72 | |
| Public Buildings and Grounds: | | | | | | |
| Other Expenses | 115,000.00 | 115,000.00 | 113,300.00 | 1,480.00 | 220.00 | |
| Vehicle Maintenance: | | | | | | |
| Other Expenses | 222,500.00 | 222,500.00 | 198,264.26 | 9,696.90 | 14,538.84 | |
| PUBLIC SAFETY FUNCTIONS: | | | | | | |
| Office Of Emergency Management: | | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | 2,000.00 | | | |
| Other Expenses | 500.00 | 500.00 | 387.61 | | 112.39 | |
| Police: | | | | | | |
| Salaries and Wages | 2,592,804.00 | 2,592,804.00 | 2,416,055.44 | | 176,748.56 | |
| Other Expenses | 284,100.00 | 284,100.00 | 234,766.07 | 27,252.87 | 22,081.06 | |
| Uniform Fire Safety: | | | | | | |
| Salaries and Wages | 41,000.00 | 41,000.00 | 33,570.01 | | 7,429.99 | |
| Other Expenses | 8,750.00 | 8,750.00 | 6,092.58 | | 2,657.42 | |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | 43,000.00 | 43,000.00 | 42,999.96 | | 0.04 | |
| Other Expenses | 10,000.00 | 10,000.00 | 1,120.00 | | 8,880.00 | |
| HEALTH AND WELFARE: | | | | | | |
| Health and Human Services: | | | | | | |
| Salaries and Wages | 35,000.00 | 42,000.00 | 39,540.65 | | 2,459.35 | |
| Other Expenses | 50,000.00 | 50,000.00 | 35,135.71 | | 14,864.29 | |
| Environmental Commission: | | | | | | |
| Other Expenses | 550.00 | 550.00 | 483.50 | | 66.50 | |
| PARKS AND RECREATION FUNCTIONS: | | | | | | |
| Recreation: | | | | | | |
| Salaries and Wages | 1,000.00 | 1,000.00 | 1,000.00 | | | |
| Parks and Playgrounds: | | | | | | |
| Other Expenses | 25,000.00 | 27,000.00 | 22,403.92 | | 4,596.08 | |
| Community Center: | | | | | | |
| Salaries and Wages | 105,000.00 | 105,000.00 | 102,037.31 | | 2,962.69 | |
| Other Expenses | 12,050.00 | 12,050.00 | 2,359.93 | 1,500.00 | 8,190.07 | |
| Historical Society: | | | | | | |
| Salaries and Wages | 700.00 | 700.00 | 700.00 | | | |
| Other Expenses | 500.00 | 500.00 | | | 500.00 | |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2024

| | Appropriations | | Paid or Charged | | | Unexpended Balance Canceled |
|--|----------------------|------------------------------|---------------------|------------------|---------------------|-----------------------------------|
| | Budget | Budget After Modification | Expended | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS" (CONT'D): | | | | | | |
| INSURANCE: | | | | | | |
| Liability Insurance | \$ 289,800.00 | \$ 289,800.00 | \$ 288,012.00 | | \$ 1,788.00 | \$ |
| Workers Compensation | 435,800.00 | 435,800.00 | 435,800.00 | | | |
| Group Insurance Plans for Employees | 1,933,520.00 | 1,933,520.00 | 1,908,975.15 | | 24,544.85 | |
| Health Insurance Opt Out | 60,000.00 | 60,000.00 | 56,270.50 | | 3,729.50 | |
| OTHER COMMON OPERATING FUNCTIONS: | | | | | | |
| Celebration of Public Events: | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 833.34 | | 166.66 | |
| Cable TV Commission: | | | | | | |
| Salaries and Wages | 1,500.00 | 1,500.00 | 1,074.48 | | 425.52 | |
| Other Expenses | 4,000.00 | 4,000.00 | 2,512.20 | | 1,487.80 | |
| UTILITY EXPENSES AND BULK PURCHASES: | | | | | | |
| Electricity | 180,000.00 | 180,000.00 | 35,519.38 | | 144,480.62 | |
| Street Lighting | 160,000.00 | 160,000.00 | 156,755.52 | | 3,244.48 | |
| Telephone | 65,000.00 | 65,000.00 | 47,496.95 | | 17,503.05 | |
| Gas (Propane) | 46,000.00 | 46,000.00 | 27,906.12 | | 18,093.88 | |
| Diesel Fuel | 150,000.00 | 150,000.00 | 90,470.74 | | 59,529.26 | |
| Gasoline and Diesel Fuel | 165,000.00 | 165,000.00 | 125,408.53 | 4,894.94 | 34,696.53 | |
| Landfill Disposal Costs | 1,043,000.00 | 1,025,000.00 | 702,803.80 | | 322,196.20 | |
| STATE UNIFORM CONSTRUCTION CODE: | | | | | | |
| Construction Official: | | | | | | |
| Salaries and Wages | 172,800.00 | 181,800.00 | 170,200.29 | | 11,599.71 | |
| Other Expenses | 14,025.00 | 14,025.00 | 12,717.47 | 27.54 | 1,279.99 | |
| Total Operations Within "CAPS" | 11,264,349.00 | 11,264,349.00 | 9,897,586.63 | 45,835.27 | 1,320,927.10 | - |
| Detail: | | | | | | |
| Salaries and Wages | 4,878,804.00 | 4,929,304.00 | 4,650,757.83 | - | 314,332.48 | - |
| Other Expenses | 6,385,545.00 | 6,335,045.00 | 5,246,828.80 | 45,835.27 | 1,006,594.62 | - |
| Total Operations Including Contingent Within "CAPS" | 11,264,349.00 | 11,264,349.00 | 9,897,586.63 | 45,835.27 | 1,320,927.10 | - |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2024

| | Appropriations | | Paid or Charged | | | Unexpended Balance Canceled |
|--|----------------------|------------------------------|----------------------|------------------|---------------------|-----------------------------------|
| | Budget | Budget After Modification | Expended | Encumbered | Reserved | |
| EXPENDITURES - MUNICIPAL WITHIN "CAPS": | | | | | | |
| STATUTORY EXPENDITURES: | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System of NJ | \$ 306,578.80 | \$ 306,578.80 | \$ 306,578.80 | \$ | \$ | |
| Social Security System (O.A.S.I.) | 400,000.00 | 400,000.00 | 343,143.58 | | 56,856.42 | |
| Police and Fireman's Retirement System of NJ | 1,047,810.00 | 1,047,810.00 | 1,047,810.00 | | | |
| Unemployment Compensation Insurance | 35,000.00 | 35,000.00 | 11,856.41 | | 23,143.59 | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" | 1,789,388.80 | 1,789,388.80 | 1,709,388.79 | - | 80,000.01 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 13,053,737.80 | 13,053,737.80 | 11,606,975.42 | 45,835.27 | 1,400,927.11 | - |
| OPERATIONS EXCLUDED FROM "CAPS": | | | | | | |
| Maintenance of Free Public Library | 617,564.78 | 617,564.78 | 617,564.78 | | | |
| Liability Insurance | 92,200.00 | 92,200.00 | 92,200.00 | | - | |
| Interlocal Municipal Service Agreements: | | | | | | |
| SFSP Fire District Payment | 5,683.00 | 5,683.00 | 5,683.00 | | | |
| Joint Municipal Court: | | | | | | |
| Salaries and Wages | 70,000.00 | 70,000.00 | 70,000.00 | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 10,000.00 | | | |
| Newfield Police Services: | | | | | | |
| Salaries and Wages | 425,000.00 | 425,000.00 | 425,000.00 | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 25,000.00 | | | |
| Buena Police Services: | | | | | | |
| Salaries and Wages | 1,020,000.00 | 1,020,000.00 | 1,020,000.00 | | | |
| Other Expenses | 99,866.00 | 99,866.00 | 99,866.00 | | | |
| PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES: | | | | | | |
| Clean Communities Program | 63,238.40 | 63,238.40 | 63,238.40 | | | |
| Municipal Alliance for Alcohol and Drug Abuse - Grant Match | 7,500.00 | 7,500.00 | 7,500.00 | | | |
| NJDOT - Williamstown Road | 243,650.00 | 243,650.00 | 243,650.00 | | | |
| JIF Cyber Security | 2,500.00 | 2,500.00 | 2,500.00 | | | |
| JIF Wellness Incentive Program | 1,250.00 | 1,250.00 | 1,250.00 | | | |
| JIF Optional Safety Budget Program | 3,500.00 | 3,500.00 | 3,500.00 | | | |
| Countywide DWI Checkpoint (NJSA 40A: 4-87, \$5,880.00+) | | 5,880.00 | 5,880.00 | | | |
| Lead Remediation and Abatement (NJSA 40A: 4-87, \$2,000,000.00+) | | 2,000,000.00 | 2,000,000.00 | | | |
| Federal Bulletproof Partnership Grant (NJSA 40A: 4-87, \$2,419.71+) | | 2,419.71 | 2,419.71 | | | |
| Body Armor Grant | 3,059.52 | 3,059.52 | 3,059.52 | | | |
| Click it or Ticket (NJSA 40A: 4-87, \$3,640.00+) | | 3,640.00 | 3,640.00 | | | |
| National Opioids Settlement Fund (NJSA 40A: 4-87, \$39,989.41+) | 58,702.41 | 98,691.82 | 98,691.82 | | | |
| Distracted Driving Grant | 5,600.00 | 5,600.00 | 5,600.00 | | | |
| Aggressive Driving Patrol Grant | 4,200.00 | 4,200.00 | 4,200.00 | | | |
| Drunk Driving Enforcement Fund (NJSA 40A: 4-87, \$23,897.22+) | 45,645.00 | 69,542.22 | 69,542.22 | | | |
| Matching Funds for Grants | 162,600.00 | 162,600.00 | | | | 162,600.00 |
| U Text, U Drive, U Pay (NJSA 40A: 4-87, \$7,000.00+) | | 7,000.00 | 7,000.00 | | | |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2024

| | Appropriations | | Paid or Charged | | | Unexpended Balance Canceled |
|---|-------------------------|------------------------------|-------------------------|---------------------|------------------------|-----------------------------------|
| | Budget | Budget After Modification | Expended | Encumbered | Reserved | |
| <u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D):</u> | | | | | | |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (CONT'D):</u> | | | | | | |
| Recycling Tonnage Grants | \$ 49,791.92 | \$ 49,791.92 | \$ 49,791.92 | \$ - | \$ - | \$ - |
| Drive Sobor or Get Pulled Over (NJSA 40A: 4-87, \$4,200.00+) | | 4,200.00 | 4,200.00 | | | |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | 3,016,551.03 | 5,103,577.37 | 4,940,977.37 | - | - | 162,600.00 |
| Detail: | | | | | | |
| Salaries and Wages | 1,566,245.00 | 1,590,142.22 | 1,590,142.22 | - | - | - |
| Other Expenses | 1,450,306.03 | 3,513,435.15 | 3,350,835.15 | - | - | 162,600.00 |
| <u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u> | | | | | | |
| Payment of Bond Principal | 764,000.00 | 764,000.00 | 764,000.00 | | | |
| Interest on Bonds | 256,573.00 | 256,573.00 | 256,573.00 | | | |
| TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | 1,020,573.00 | 1,020,573.00 | 1,020,573.00 | - | - | - |
| <u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS":</u> | | | | | | |
| DCFT - Unfunded Ordinance 17-17 | 840.00 | 840.00 | 840.00 | | | |
| TOTAL DEFERRED CHARGES -MUNICIPAL EXCLUDED FROM "CAPS" | 840.00 | 840.00 | 840.00 | - | - | - |
| <u>JUDGMENTS - MUNICIPAL EXCLUDED FROM "CAPS":</u> | | | | | | |
| Judgement | 75,000.00 | 75,000.00 | 10,000.00 | | | 65,000.00 |
| Legal Settlement (N.J.S.A. 40A:4-46 \$265,250.00+) | | 265,250.00 | 265,250.00 | | | |
| TOTAL JUDGMENT -MUNICIPAL EXCLUDED FROM "CAPS" | 75,000.00 | 340,250.00 | 275,250.00 | - | - | 65,000.00 |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 4,112,964.03 | 6,465,240.37 | 6,237,640.37 | - | - | 227,600.00 |
| SUBTOTAL GENERAL APPROPRIATIONS | 17,166,701.83 | 19,518,978.17 | 17,844,615.79 | 45,835.27 | 1,400,927.11 | 227,600.00 |
| RESERVE FOR UNCOLLECTED TAXES | 981,282.88 | 981,282.88 | 981,282.88 | | - | - |
| TOTAL GENERAL APPROPRIATIONS | \$ 18,147,984.71 | \$ 20,500,261.05 | \$ 18,825,898.67 | \$ 45,835.27 | \$ 1,400,927.11 | \$ 227,600.00 |
| Appropriation by 40A: 4-46 | | \$ 265,250.00 | | | | |
| Appropriation by 40A: 4-87 | | 2,087,026.34 | | | | |
| Adopted Budget | | 18,147,984.71 | | | | |
| | | \$ 20,500,261.05 | | | | |
| Federal State and Other Grants Appropriated | | | \$ 2,575,663.59 | | | |
| Reserve for Uncollected Taxes | | | 981,282.88 | | | |
| Disbursed - Treasurer | | | 15,268,952.20 | | | |
| | | | \$ 18,825,898.67 | | | |

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

TOWNSHIP OF FRANKLIN
TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2024 and 2023

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------------------------|-------------------------------|
| Assets: | | | |
| Animal Control Fund: | | | |
| Cash - Chief Financial Officer | SB-1 | \$ 19,095.19 | \$ 19,681.26 |
| Change Fund | B | <u>50.00</u> | <u>100.00</u> |
| | | <u>19,145.19</u> | <u>19,781.26</u> |
| Trust Other Fund: | | | |
| Cash - Chief Financial Officer | SB-1 | 949,703.61 | 872,589.74 |
| Cash - Tax Collector | SB-2 | <u>377,512.56</u> | <u>389,468.37</u> |
| | | <u>1,327,216.17</u> | <u>1,262,058.11</u> |
| Municipal Open Space Trust Fund: | | | |
| Cash - Chief Financial Officer | SB-1 | <u>753,423.86</u> | <u>670,701.74</u> |
| | | <u>753,423.86</u> | <u>670,701.74</u> |
| Total Assets | | <u><u>\$ 2,099,785.22</u></u> | <u><u>\$ 1,952,541.11</u></u> |
| Liabilities and Reserves: | | | |
| Animal Control Fund: | | | |
| Reserve for Animal Control Fund Expenditures | SB-4 | \$ <u>19,145.19</u> | \$ <u>19,781.26</u> |
| | | <u>19,145.19</u> | <u>19,781.26</u> |
| Trust Other Fund: | | | |
| Due to Current Fund | SB-5 | 393.49 | 355.92 |
| Miscellaneous Trust Reserves: | | | |
| Historical Society | SB-6 | 2,594.00 | 2,594.00 |
| Municipal Alliance Grant | SB-6 | 160.00 | 160.00 |
| Payroll Deductions Payable | SB-6 | 54,339.00 | 43,283.31 |
| P.O.A.A. | SB-6 | 323.73 | 297.73 |

(Continued)

TOWNSHIP OF FRANKLIN
TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2024 and 2023

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|--|-------------|------------------------|------------------------|
| Liabilities and Reserves (Cont'd): | | | |
| Trust Other Fund (Cont'd): | | | |
| Miscellaneous Trust Reserves (Cont'd): | | | |
| Police Canine Unit | SB-6 | \$ 6,387.24 | \$ 13,480.04 |
| Police Forfeited Funds | SB-6 | 2,575.60 | 1,800.44 |
| Public Defender | SB-6 | 1,358.76 | 8,858.76 |
| Recreation Commission | SB-6 | 74,239.33 | 79,870.39 |
| Senior Citizens | SB-6 | 31,986.75 | 30,016.92 |
| Site Plan Review Escrow | SB-6 | 385,920.14 | 339,167.16 |
| Tax Title Liens Redemptions | SB-6 | 43,512.56 | 2,563.21 |
| Tax Title Liens Premiums | SB-6 | 334,000.00 | 386,900.00 |
| Train Station Donations | SB-6 | 931.53 | 931.53 |
| Tree Removal and Replacement | SB-6 | 35.00 | |
| Police Outside Employment | SB-6 | 167,826.39 | 168,294.90 |
| Insurance Fund | SB-6 | 5,100.00 | 5,100.00 |
| COAH | SB-6 | 208,072.13 | 170,284.82 |
| Uniform Fire Dedicated Penalties | SB-6 | 7,460.52 | 8,098.98 |
| | | <u>1,327,216.17</u> | <u>1,262,058.11</u> |
| Municipal Open Space Trust Fund: | | | |
| Reserve for Municipal Open Space | B-1 | <u>753,423.86</u> | <u>670,701.74</u> |
| | | <u>753,423.86</u> | <u>670,701.74</u> |
| Total Liabilities and Reserves | | <u>\$ 2,099,785.22</u> | <u>\$ 1,952,541.11</u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF FRANKLIN
MUNICIPAL OPEN SPACE TRUST FUND
 Statements of Operations and Changes in Reserve for Future Use -
 Regulatory Basis
 For the Years Ended December 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| <u>Revenue and Other Income Realized</u> | | |
| Amount to be Raised by Taxation | \$ 125,488.71 | \$ 125,451.36 |
| Reserve for Future Use | 670,701.74 | 213,237.07 |
| Miscellaneous | 32,604.92 | 690.58 |
| | <u>828,795.37</u> | <u>339,379.01</u> |
| <u>Budget Appropriations:</u> | | |
| Developments of Lands for Conservation: | | |
| Other Expenses | 39,355.01 | 50,432.00 |
| Maintenance of Lands for Recreation and Conservation: | | |
| Other Expenses | | 70,000.00 |
| Reserve for Future Use | 36,016.50 | 218,947.01 |
| | <u>75,371.51</u> | <u>339,379.01</u> |
| Total Expenditures | | |
| Excess to Reserve | 753,423.86 | - |
| Balance January 1 | 670,701.74 | 883,938.81 |
| | 1,424,125.60 | 883,938.81 |
| Decreased by: | | |
| Utilized as Revenue | 670,701.74 | 213,237.07 |
| Balance December 31 | <u>\$ 753,423.86</u> | <u>\$ 670,701.74</u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF FRANKLIN
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Dedicated Revenues - Regulatory Basis
For the Year Ended December 31, 2024

| | <u>Budget Revenues</u> | <u>Budget After Modifications</u> | <u>Realized</u> | <u>Excess</u> |
|---|----------------------------|---------------------------------------|----------------------|---------------|
| Amount to be Raised by Taxation | \$ 125,488.71 | \$ 125,488.71 | \$ 125,488.71 | \$ |
| Reserve Funds | <u>274,511.29</u> | <u>670,701.74</u> | <u>670,701.74</u> | |
| | <u>400,000.00</u> | <u>796,190.45</u> | <u>796,190.45</u> | <u>-</u> |
| Miscellaneous Revenues Not Anticipated: | | | | |
| Added & Omitted Taxes | | 594.51 | 594.51 | |
| Interest on Investments | | 352.41 | 352.41 | |
| Title Reimbursement | | 31,658.00 | 31,658.00 | |
| | <u>-</u> | <u>32,604.92</u> | <u>32,604.92</u> | <u>-</u> |
| Total Revenues | <u>\$ 400,000.00</u> | <u>\$ 828,795.37</u> | <u>\$ 828,795.37</u> | <u>\$ -</u> |

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

TOWNSHIP OF FRANKLIN
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Dedicated Expenditures - Regulatory Basis
For the Year Ended December 31, 2024

| | <u>Budget Appropriations</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> |
|---|----------------------------------|--------------------------------------|----------------------------|----------------------|
| Developments of Lands for Conservation: | | | | |
| Other Expenses | \$ 50,000.00 | \$ 50,000.00 | \$ 39,355.01 | \$ 10,644.99 |
| Maintenance of Lands for Recreation and Conservation: | | | | |
| Other Expenses | 350,000.00 | 350,000.00 | | 350,000.00 |
| Reserve for Future Use | | <u>428,795.37</u> | <u>36,016.50</u> | <u>392,778.87</u> |
| Total Operating | <u>\$ 400,000.00</u> | <u>\$ 828,795.37</u> | <u>\$ 75,371.51</u> | <u>\$ 753,423.86</u> |

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

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2024 and 2023

| Assets: | Ref. | 2024 | 2023 |
|---|------|------------------------|-------------------------|
| Cash - Chief Financial Officer | SC-1 | \$ 1,757,504.21 | \$ 2,771,312.14 |
| Deferred Charges to Future Taxation: | | | |
| Funded | SC-3 | 7,045,000.00 | 7,809,000.00 |
| Unfunded | SC-4 | | 840.00 |
| Due from Current Fund | SC-8 | 102,439.74 | |
| Grants Receivable | SC-9 | | 102,439.74 |
| Total Assets | | \$ 8,904,943.95 | \$ 10,683,591.88 |
| | | | |
| Liabilities, Reserves and Fund Balance: | | | |
| General Serial Bonds | SC-5 | \$ 7,045,000.00 | \$ 7,809,000.00 |
| Improvement Authorizations: | | | |
| Funded | SC-6 | 923,193.09 | 1,660,868.32 |
| Unfunded | SC-6 | | 840.00 |
| Encumbrances Payable | SC-6 | 60,192.63 | 210,306.38 |
| Capital Improvement Fund | C | 3,787.00 | 3,787.00 |
| Reserve for Debt Service | SC-7 | 872,771.23 | 998,790.18 |
| Total Liabilities, Reserves & Fund Balance | | \$ 8,904,943.95 | \$ 10,683,591.88 |

There were bonds and notes authorized but not issued as of December 31, 2024 and 2023 of \$0.00 and \$840.00, respectively.

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF FRANKLIN
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2024

| | Balance Dec. 31, 2023 | Additions | Deletions | Balance Dec. 31, 2024 |
|--|--------------------------|----------------------|---------------------|--------------------------|
| General Fixed Assets: | | | | |
| Land, Buildings and Improvements | \$ 32,917,890.00 | \$ 40,000.00 | \$ | \$ 32,957,890.00 |
| Machinery and Equipment | 1,751,146.00 | 63,069.94 | 12,800.00 | 1,801,415.94 |
| Vehicles | 3,108,994.80 | 860,688.54 | 48,650.00 | 3,921,033.34 |
| Total General Fixed Assets | <u>\$ 37,778,030.80</u> | <u>\$ 963,758.48</u> | <u>\$ 61,450.00</u> | <u>\$ 38,680,339.28</u> |
| Total Investment in General Fixed Assets | <u>\$ 37,778,030.80</u> | <u>\$ 963,758.48</u> | <u>\$ 61,450.00</u> | <u>\$ 38,680,339.28</u> |

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

TOWNSHIP OF FRANKLIN
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Franklin (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature in 1825, covers approximately 56 square miles and is located in southwest New Jersey approximately thirty-three miles southeast of the City of Philadelphia. According to the 2020 census, the population is 16,415.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

Component Units - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Franklin Township Library
1584 Coles Mill Road
Franklinville, New Jersey 08322

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* (the "Requirements") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal, state and other grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current and municipal open space funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Uniform Guidance. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal, state and other grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Franklin School District, Delsea Regional High School District, and the Township of Franklin Fire Districts No. 1, No. 2, No. 3, No. 4, and No. 5. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Franklin School District and the Delsea Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Franklin Fire Districts No. 1, No. 2, No. 3, No. 4, and No. 5. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Franklin Township Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

Compensated Absences and Postemployment Benefits - Compensated absences for paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical leave, and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The Township implemented the following GASB Statement for the year ended December 31, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only impacted financial statement disclosures. There exists no impact on the financial statements of the Township.

Because of the implementation of GASB Statement No. 101, the Township has updated the measurement of compensated absences in accordance with the Statement (note 9).

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding 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 the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of December 31, 2024, the Township's bank balances of \$12,440,081.98 were exposed to custodial credit risk as follows:

| | |
|--------------------------------|-----------------------------|
| Insured by FDIC and GUDPA | \$ 12,275,320.30 |
| Uninsured and Uncollateralized | <u>164,761.68</u> |
| Total | <u>\$ 12,440,081.98</u> |

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

| | <u>Year Ended</u> | | | | |
|------------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|
| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| General Tax Rate | <u>\$ 3.652</u> | <u>\$ 3.564</u> | <u>\$ 3.468</u> | <u>\$ 3.418</u> | <u>\$ 3.380</u> |
| Apportionment of General Tax Rate: | | | | | |
| Municipal - Local Purpose | \$.742 | \$.721 | \$.689 | \$.669 | \$.642 |
| Municipal Library | .049 | .044 | .039 | .036 | .036 |
| Municipal Open Space | .010 | .010 | .010 | .011 | .010 |
| County - General | .702 | .706 | .710 | .717 | .712 |
| County - Open Space | .047 | .044 | .043 | .044 | .043 |
| Local School | .989 | .954 | .923 | .915 | .918 |
| Regional High School | 1.113 | 1.085 | 1.054 | 1.026 | 1.019 |
| | <u>Year Ended</u> | | | | |
| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Special District Tax Rates: | | | | | |
| Fire District No. 1 | \$.171 | \$.171 | \$.166 | \$.166 | \$.165 |
| Fire District No. 2 | .183 | .181 | .177 | .167 | .159 |
| Fire District No. 3 | .133 | .122 | .122 | .122 | .122 |
| Fire District No. 4 | .209 | .206 | .203 | .201 | .201 |
| Fire District No. 5 | .157 | .172 | .168 | .165 | .157 |

Note 3: PROPERTY TAXES (CONT'D)

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2024 | \$ 1,253,913,000.00 |
| 2023 | 1,244,641,300.00 |
| 2022 | 1,239,774,554.00 |
| 2021 | 1,234,106,285.00 |
| 2020 | 1,230,598,454.00 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|------------------|--------------------|----------------------------------|
| 2024 | \$ 48,195,306.76 | \$ 47,262,570.44 | 98.06% |
| 2023 | 46,815,699.18 | 45,855,136.83 | 97.95% |
| 2022 | 45,349,569.76 | 44,432,866.16 | 97.98% |
| 2021 | 44,443,261.93 | 43,621,321.09 | 98.15% |
| 2020 | 43,778,110.51 | 42,804,417.88 | 97.78% |

Delinquent Taxes and Tax Title Liens

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2024 | \$ 889,195.44 | \$ 819,520.82 | \$ 1,708,716.26 | 3.55% |
| 2023 | 801,943.60 | 838,070.84 | 1,640,014.44 | 3.50% |
| 2022 | 769,576.39 | 795,646.21 | 1,565,222.60 | 3.45% |
| 2021 | 922,537.31 | 592,900.07 | 1,515,437.38 | 3.41% |
| 2020 | 1,310,070.52 | 711,582.75 | 2,021,653.27 | 4.62% |

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2024 | 62 |
| 2023 | 61 |
| 2022 | 73 |
| 2021 | 130 |
| 2020 | 160 |

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

| <u>Year</u> | <u>Amount</u> |
|-------------|-----------------|
| 2024 | \$ 1,077,400.00 |
| 2023 | 1,077,400.00 |
| 2022 | 1,593,200.00 |
| 2021 | 1,168,100.00 |
| 2020 | 1,539,500.00 |

Note 5: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

| <u>Current Fund</u> | | | |
|---------------------|---------------------------------|--|--|
| <u>Year</u> | <u>Balance December 31.</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percentage of Fund Balance Used</u> |
| 2024 | \$ 3,025,651.22 | \$ 2,500,000.00 | 82.63% |
| 2023 | 3,734,426.58 | 2,400,000.00 | 64.27% |
| 2022 | 2,362,477.32 | 1,862,477.00 | 78.84% |
| 2021 | 2,085,427.67 | 940,000.00 | 45.07% |
| 2020 | 196,307.88 | - | N/A |

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2024:

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|-------------------------------------|----------------------------------|-------------------------------|
| Current Fund | \$ 393.49 | \$ 652,449.78 |
| Federal, State and Other Grant Fund | 652,449.78 | |
| Trust - Other Fund | | 393.49 |
| Totals | <u>\$ 652,843.27</u> | <u>\$ 652,843.27</u> |

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2025, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Township employees may be eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Township is referred to as "Employer" throughout this note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in 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 PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service 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.

Defined Contribution Retirement Program - 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.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, 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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Special Funding Situation Component (Cont'd) - The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 16.00% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$304,487.00 and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$288,820.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$149,893.12.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 was .52% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$9,803.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$9,761.00.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 35.16% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$1,157,505.00 and is payable by April 1, 2025. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$1,013,353.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$334,629.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2024 was 5.95% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$195,989.00 and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$177,234.00, which was paid on April 1, 2024.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2024, there were no employees in the plan.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System

Pension Liability - As of December 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$3,040,583.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0223768957%, which was an increase of .0007671606% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was (\$67,787.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PERS was \$288,820.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was \$9,803.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2024, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

| | |
|---|-------------------------|
| Proportionate Share of Net Pension Liability | \$ 8,641,375.00 |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer | <u>1,703,629.00</u> |
| | <u>\$ 10,345,004.00</u> |

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0836807400%, which was an increase of .0075575300% from its proportion measured as of June 30, 2023. Likewise, at June 30, 2024, the State of New Jersey's proportion, on-behalf of the Employer, was .0836808800%, which was an increase of .0075575200% from its proportion, on-behalf of the Employer, measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$1,182,613.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PFRS was \$1,013,353.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2024 measurement date, was \$195,989.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2024, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | | | Deferred Inflows of Resources | | |
|--|--------------------------------|------------------------|------------------------|-------------------------------|----------------------|------------------------|
| | PERS | PFRS | Total | PERS | PFRS | Total |
| Differences between Expected and Actual Experience | \$ 60,908.00 | \$ 544,400.00 | \$ 605,308.00 | \$ 8,095.00 | \$ 295,832.00 | \$ 303,927.00 |
| Changes of Assumptions | 3,777.00 | 13,660.00 | 17,437.00 | 34,595.00 | 253,783.00 | 288,378.00 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | - | - | 140,984.00 | 67,634.00 | 208,618.00 |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | 111,214.00 | 1,092,351.00 | 1,203,565.00 | 521,562.00 | 92,083.00 | 613,645.00 |
| Contributions Subsequent to the Measurement Date | 152,244.00 | 578,753.00 | 730,997.00 | - | - | - |
| | <u>\$ 328,143.00</u> | <u>\$ 2,229,164.00</u> | <u>\$ 2,557,307.00</u> | <u>\$ 705,236.00</u> | <u>\$ 709,332.00</u> | <u>\$ 1,414,568.00</u> |

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of \$152,244.00 and \$578,753.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Employer's year end of December 31, 2024.

The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

| | PERS | | PFRS | |
|--|---|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between Expected and Actual Experience | | | | |
| Year of Pension Plan Deferral: | | | | |
| June 30, 2019 | 5.21 | - | - | 5.92 |
| June 30, 2020 | 5.16 | - | 5.90 | - |
| June 30, 2021 | - | 5.13 | - | 6.17 |
| June 30, 2022 | - | 5.04 | 6.22 | - |
| June 30, 2023 | 5.08 | - | 6.16 | - |
| June 30, 2024 | 5.08 | - | 6.09 | - |
| Changes of Assumptions | | | | |
| Year of Pension Plan Deferral: | | | | |
| June 30, 2019 | - | 5.21 | - | 5.92 |
| June 30, 2020 | - | 5.16 | - | 5.90 |
| June 30, 2021 | 5.13 | - | 6.17 | - |
| June 30, 2022 | - | 5.04 | - | 6.22 |
| Difference between Projected and Actual Earnings on Pension Plan Investments | | | | |
| Year of Pension Plan Deferral: | | | | |
| June 30, 2020 | 5.00 | - | 5.00 | - |
| June 30, 2021 | - | 5.00 | - | 5.00 |
| June 30, 2022 | 5.00 | - | 5.00 | - |
| June 30, 2023 | - | 5.00 | - | 5.00 |
| June 30, 2024 | - | 5.00 | - | 5.00 |
| Changes in Proportion | | | | |
| Year of Pension Plan Deferral: | | | | |
| June 30, 2019 | 5.21 | 5.21 | 5.92 | 5.92 |
| June 30, 2020 | 5.16 | 5.16 | 5.90 | 5.90 |
| June 30, 2021 | 5.13 | 5.13 | 6.17 | 6.17 |
| June 30, 2022 | 5.04 | 5.04 | 6.22 | 6.22 |
| June 30, 2023 | 5.08 | 5.08 | 6.16 | 6.16 |
| June 30, 2024 | 5.08 | 5.08 | 6.09 | 6.09 |

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

| Year Ending Dec 31, | <u>PERS</u> | <u>PFRS</u> | <u>Total</u> |
|--------------------------------|------------------------|----------------------|----------------------|
| 2025 | \$ (295,447.00) | \$ (48,326.00) | \$ (343,773.00) |
| 2026 | (27,060.00) | 675,252.00 | 648,192.00 |
| 2027 | (187,051.00) | 41,169.00 | (145,882.00) |
| 2028 | (22,474.00) | 69,839.00 | 47,365.00 |
| 2029 | 2,695.00 | 186,223.00 | 188,918.00 |
| Thereafter | - | 16,922.00 | 16,922.00 |
| | <u>\$ (529,337.00)</u> | <u>\$ 941,079.00</u> | <u>\$ 411,742.00</u> |

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

| | <u>PERS</u> | <u>PFRS</u> |
|--------------------------------|------------------------------|------------------------------|
| Inflation Rate: | | |
| Price | 2.75% | 2.75% |
| Wage | 3.25% | 3.25% |
| Salary Increases: | 2.75% - 6.55% | 3.25% - 16.25% |
| | Based on Years of Service | Based on Years of Service |
| Investment Rate of Return | 7.00% | 7.00% |
| Period of Actuarial Experience | | |
| Study upon which Actuarial | | |
| Assumptions were Based | July 1, 2018 - June 30, 2021 | July 1, 2018 - June 30, 2021 |

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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.

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2024 are summarized in the table that follows:

| <u>PERS</u> | <u>Long-Term</u> | | <u>PFRS</u> | <u>Long-Term</u> | |
|---------------------------------|-------------------|-----------------------|-------------------------------------|-------------------|-----------------------|
| | <u>Target</u> | <u>Expected Real</u> | | <u>Target</u> | <u>Expected Real</u> |
| <u>Asset Class</u> | <u>Allocation</u> | <u>Rate of Return</u> | <u>Asset Class</u> | <u>Allocation</u> | <u>Rate of Return</u> |
| U.S. Equity | 28.00% | 8.63% | U.S. Large-Cap Equity | 24.00% | 6.90% |
| Non-US Developed Markets Equity | 12.75% | 8.85% | U.S. Small/Mid Cap Equity | 4.00% | 7.40% |
| International Small Cap Equity | 1.25% | 8.85% | Non-U.S. Developed Large-Cap Equity | 9.50% | 6.70% |
| Emerging Market Equity | 5.50% | 10.66% | Non-U.S. Developed Small-Cap Equity | 2.00% | 7.50% |
| Private Equity | 13.00% | 12.40% | Emerging Markets Large-Cap Equity | 6.00% | 9.60% |
| Real Estate | 8.00% | 10.95% | Emerging Markets Small-Cap Equity | 1.50% | 9.60% |
| Real Assets | 3.00% | 8.20% | U.S. Treasury Bond | 7.00% | 4.10% |
| High Yield | 4.50% | 6.74% | U.S. Corporate Bond | 5.00% | 5.90% |
| Private Credit | 8.00% | 8.90% | U.S. Mortgage-Backed Securities | 5.00% | 4.40% |
| Investment Grade Credit | 7.00% | 5.37% | Global Multisector Fixed Income | 6.00% | 6.50% |
| Cash Equivalents | 2.00% | 3.57% | Cash | 2.00% | 3.40% |
| U.S. Treasuries | 4.00% | 3.57% | Real Estate Core | 3.00% | 5.10% |
| Risk Mitigation Strategies | 3.00% | 7.10% | Real Estate Non-Core | 4.00% | 6.50% |
| | | | Infrastructure | 3.00% | 7.00% |
| | 100.00% | | Private Debt/Credit | 8.00% | 9.10% |
| | | | Private Equity | 10.00% | 10.10% |
| | | | | 100.00% | |

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2024 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

| | 1% Decrease <u>(6.00%)</u> | Current Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|---|---|---|---|
| Proportionate Share of the Net Pension Liability | <u>\$ 4,040,187.00</u> | <u>\$ 3,040,583.00</u> | <u>\$ 2,189,925.00</u> |

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2024 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

| | 1% Decrease <u>(6.00%)</u> | Current Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|---|---|---|---|
| Proportionate Share of the Net Pension Liability | \$ 12,346,602.00 | \$ 8,641,375.00 | \$ 5,555,732.00 |
| State of New Jersey's Proportionate Share of Net Pension Liability | <u>2,434,106.00</u> | <u>1,703,629.00</u> | <u>1,095,301.00</u> |
| | <u>\$ 14,780,708.00</u> | <u>\$ 10,345,004.00</u> | <u>\$ 6,651,033.00</u> |

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)****Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

| | <u>Measurement Date Ended June 30,</u> | | | | |
|---|--|-----------------|-----------------|-----------------|-----------------|
| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Proportion of the Net Pension Liability | 0.0223768957% | 0.0216097351% | 0.0262687855% | 0.0260394309% | 0.0270669700% |
| Proportionate Share of the Net Pension Liability | \$ 3,040,583.00 | \$ 3,130,035.00 | \$ 3,964,321.00 | \$ 3,084,761.00 | \$ 4,413,915.00 |
| Covered Payroll (Plan Measurement Period) | \$ 1,791,080.00 | \$ 1,715,460.00 | \$ 1,805,936.00 | \$ 1,908,276.00 | \$ 1,923,444.00 |
| Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 169.76% | 182.46% | 219.52% | 161.65% | 229.48% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 68.22% | 65.23% | 62.91% | 70.33% | 58.32% |
| | <u>Measurement Date Ended June 30,</u> | | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Proportion of the Net Pension Liability | 0.0272667336% | 0.0229271430% | 0.0202389223% | 0.0193696270% | 0.0204326511% |
| Proportionate Share of the Net Pension Liability | \$ 4,913,052.00 | \$ 4,514,240.00 | \$ 4,711,298.00 | \$ 5,736,728.00 | \$ 4,586,721.00 |
| Covered Payroll (Plan Measurement Period) | \$ 1,939,536.00 | \$ 1,610,064.00 | \$ 1,404,612.00 | \$ 1,332,496.00 | \$ 1,393,776.00 |
| Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 253.31% | 280.38% | 335.42% | 430.52% | 329.09% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% |

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

| | <u>Year Ended December 31,</u> | | | | |
|---|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Contractually Required Contribution | \$ 304,487.00 | \$ 288,820.00 | \$ 331,262.00 | \$ 304,952.00 | \$ 296,099.00 |
| Contribution in Relation to the Contractually Required Contribution | <u>(304,487.00)</u> | <u>(288,820.00)</u> | <u>(331,262.00)</u> | <u>(304,952.00)</u> | <u>(296,099.00)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll (Calendar Year) | \$ 1,902,737.00 | \$ 1,780,845.00 | \$ 1,686,804.00 | \$ 1,810,106.00 | \$ 1,847,059.00 |
| Contributions as a Percentage of Covered Payroll | 16.00% | 16.22% | 19.64% | 16.85% | 16.03% |
| | <u>Year Ended December 31,</u> | | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually Required Contribution | \$ 265,225.00 | \$ 228,051.00 | \$ 187,492.00 | \$ 172,077.00 | \$ 175,666.00 |
| Contribution in Relation to the Contractually Required Contribution | <u>(265,225.00)</u> | <u>(228,051.00)</u> | <u>(187,492.00)</u> | <u>(172,077.00)</u> | <u>(175,666.00)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll (Calendar Year) | \$ 1,902,685.00 | \$ 1,899,011.00 | \$ 1,647,397.00 | \$ 1,409,731.00 | \$ 1,351,636.00 |
| Contributions as a Percentage of Covered Payroll | 13.94% | 12.01% | 11.38% | 12.21% | 13.00% |

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

| | <u>Measurement Date Ended June 30,</u> | | | | |
|---|--|------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Proportion of the Net Pension Liability | 0.0836807400% | 0.0761232100% | 0.0772603500% | 0.0754785015% | 0.0740050635% |
| Proportionate Share of the Net Pension Liability | \$ 8,641,375.00 | \$ 8,410,688.00 | \$ 8,843,494.00 | \$ 5,516,838.00 | \$ 9,562,430.00 |
| State's Proportionate Share of the Net Pension Liability | <u>1,703,629.00</u> | <u>1,549,767.00</u> | <u>1,573,883.00</u> | <u>1,551,610.00</u> | <u>1,484,046.00</u> |
| Total | <u>\$ 10,345,004.00</u> | <u>\$ 9,960,455.00</u> | <u>\$ 10,417,377.00</u> | <u>\$ 7,068,448.00</u> | <u>\$ 11,046,476.00</u> |
| Covered Payroll (Plan Measurement Period) | \$ 3,103,912.00 | \$ 2,829,040.00 | \$ 2,717,256.00 | \$ 2,645,908.00 | \$ 2,553,532.00 |
| Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 278.40% | 297.30% | 325.46% | 208.50% | 374.48% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 72.66% | 70.16% | 68.33% | 77.26% | 63.52% |
| | <u>Measurement Date Ended June 30,</u> | | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Proportion of the Net Pension Liability | 0.0667021020% | 0.0526639804% | 0.0528599145% | 0.0506114872% | 0.0548372439% |
| Proportionate Share of the Net Pension Liability | \$ 8,162,882.00 | \$ 7,126,305.00 | \$ 8,160,549.00 | \$ 9,668,089.00 | \$ 9,133,973.00 |
| State's Proportionate Share of the Net Pension Liability | <u>1,288,935.00</u> | <u>967,991.00</u> | <u>914,050.00</u> | <u>811,880.00</u> | <u>801,019.00</u> |
| Total | <u>\$ 9,451,817.00</u> | <u>\$ 8,094,296.00</u> | <u>\$ 9,074,599.00</u> | <u>\$ 10,479,969.00</u> | <u>\$ 9,934,992.00</u> |
| Covered Payroll (Plan Measurement Period) | \$ 2,261,940.00 | \$ 1,784,348.00 | \$ 1,711,060.00 | \$ 1,617,668.00 | \$ 1,736,592.00 |
| Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 360.88% | 399.38% | 476.93% | 597.66% | 525.97% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 65.00% | 62.48% | 58.60% | 52.01% | 56.31% |

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

| | <u>Year Ended December 31,</u> | | | | |
|---|--------------------------------|-----------------------|-----------------------|---------------------|---------------------|
| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
| Contractually Required Contribution | \$ 1,157,505.00 | \$ 1,013,353.00 | \$ 1,004,812.00 | \$ 879,675.00 | \$ 826,763.00 |
| Contribution in Relation to the Contractually Required Contribution | <u>(1,157,505.00)</u> | <u>(1,013,353.00)</u> | <u>(1,004,812.00)</u> | <u>(879,675.00)</u> | <u>(826,763.00)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll (Calendar Year) | \$ 3,291,966.00 | \$ 3,019,999.00 | \$ 2,830,060.00 | \$ 2,764,115.00 | \$ 2,696,224.00 |
| Contributions as a Percentage of Covered Payroll | 35.16% | 33.55% | 35.50% | 31.82% | 30.66% |
| | <u>Year Ended December 31,</u> | | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually Required Contribution | \$ 673,765.00 | \$ 514,868.00 | \$ 467,820.00 | \$ 412,656.00 | \$ 445,745.00 |
| Contribution in Relation to the Contractually Required Contribution | <u>(673,765.00)</u> | <u>(514,868.00)</u> | <u>(467,820.00)</u> | <u>(412,656.00)</u> | <u>(445,745.00)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll (Calendar Year) | \$ 2,542,040.00 | \$ 2,260,783.00 | \$ 1,826,865.00 | \$ 1,673,534.00 | \$ 1,511,795.00 |
| Contributions as a Percentage of Covered Payroll | 26.50% | 22.77% | 25.61% | 24.66% | 29.48% |

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

| <u>Discount Rate</u> | | | | <u>Long-term Expected Rate of Return</u> | | | |
|----------------------|-------------|-------------|-------------|--|-------------|-------------|-------------|
| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
| 2024 | 7.00% | 2019 | 6.28% | 2024 | 7.00% | 2019 | 7.00% |
| 2023 | 7.00% | 2018 | 5.66% | 2023 | 7.00% | 2018 | 7.00% |
| 2022 | 7.00% | 2017 | 5.00% | 2022 | 7.00% | 2017 | 7.00% |
| 2021 | 7.00% | 2016 | 3.98% | 2021 | 7.00% | 2016 | 7.65% |
| 2020 | 7.00% | 2015 | 4.90% | 2020 | 7.00% | 2015 | 7.90% |

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

| <u>Discount Rate</u> | | | | <u>Long-term Expected Rate of Return</u> | | | |
|----------------------|-------------|-------------|-------------|--|-------------|-------------|-------------|
| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
| 2024 | 7.00% | 2019 | 6.85% | 2024 | 7.00% | 2019 | 7.00% |
| 2023 | 7.00% | 2018 | 6.51% | 2023 | 7.00% | 2018 | 7.00% |
| 2022 | 7.00% | 2017 | 6.14% | 2022 | 7.00% | 2017 | 7.00% |
| 2021 | 7.00% | 2016 | 5.55% | 2021 | 7.00% | 2016 | 7.65% |
| 2020 | 7.00% | 2015 | 5.79% | 2020 | 7.00% | 2015 | 7.90% |

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2024 was not available; therefore, the information from the measurement period June 30, 2023 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The State of New Jersey (the "State") provides postemployment benefits to certain Township retirees and their dependents under a special funding situation as described below.

The State, on-behalf of the Township, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which 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* (GASB Statement No. 75); 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") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>. As a local participating employer of the Plan, the Township is referred to as "Employer" throughout this note

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating 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.

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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Employer, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer is (\$1,317,468.00) for the year ended December 31, 2023, representing (43.62%) of the Employer's covered payroll.

OPEB Liability

OPEB Liability - At December 31, 2023, the State's proportionate share of the net OPEB liability associated with the Employer was \$7,266,002.00. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The State's proportion of the net OPEB liability, associated with the Employer, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the State's proportion on-behalf of the Employer was .208249%, which was a decrease of .016812% from its proportion measured as of the June 30, 2022 measurement date.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases:

PFRS - Rates for all future years 3.25% to 16.25% based on years of service

Mortality:

PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2023 was 3.65%. 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.

The health care trend assumptions used is as follows:

| Fiscal Year Ending | Annual Rate of Increase | | | | | |
|-----------------------|-------------------------|-------------|-------------|-------------------------|---------|--------|
| | Medical Trend | | | Prescription Drug Trend | | |
| | Pre-65 | PPO Post-65 | HMO Post-65 | Pre-65 | Post-65 | EGWP |
| 2024 | 6.50% | -5.63% | -6.04% | 14.00% | 9.50% | 14.28% |
| 2025 | 6.25% | 8.22% | 8.33% | 10.00% | 8.75% | 11.21% |
| 2026 | 6.00% | 16.85% | 17.28% | 7.50% | 7.50% | 7.50% |
| 2027 | 5.75% | 14.31% | 14.65% | 6.75% | 6.75% | 6.75% |
| 2028 | 5.50% | 12.43% | 12.71% | 6.00% | 6.00% | 6.00% |
| 2029 | 5.25% | 11.02% | 11.24% | 5.25% | 5.25% | 5.25% |
| 2030 | 5.00% | 9.91% | 10.09% | 4.50% | 4.50% | 4.50% |
| 2031 | 4.75% | 8.98% | 9.14% | 4.50% | 4.50% | 4.50% |
| 2032 | 4.50% | 6.46% | 6.53% | 4.50% | 4.50% | 4.50% |
| 2033 and Later | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

| | 1% Decrease (2.65%) | Current Discount Rate (3.65%) | 1% Increase (4.65%) |
|--|------------------------------------|--|------------------------------------|
| State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer | <u>\$ 8,416,346.00</u> | <u>\$ 7,266,002.00</u> | <u>\$ 6,340,727.00</u> |

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

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|--|------------------------|---------------------------------------|------------------------|
| State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer | <u>\$ 6,175,247.00</u> | <u>\$ 7,266,002.00</u> | <u>\$ 8,662,502.00</u> |

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Employer (Last Seven Plan Years)***

| | Measurement Date Ended June 30, | | | |
|--|--|------------------------|------------------------|------------------------|
| | <u>2023</u> | <u>2022</u> | <u>2021 (a)</u> | <u>2020</u> |
| Proportion of the Net OPEB Liability | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportionate Share of the Net OPEB Liability Associated with the Employer | 100.00% | 100.00% | 100.00% | 100.00% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% |
| Proportionate Share of the Net OPEB Liability | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of the Net OPEB Liability Associated with the Employer | 7,266,002.00 | 7,593,130.00 | 8,782,659.00 | 8,768,799.00 |
| Total | \$ 7,266,002.00 | \$ 7,593,130.00 | \$ 8,782,659.00 | \$ 8,768,799.00 |
| Covered Payroll (Plan Measurement Period) | \$ 2,906,038.00 | \$ 2,815,308.00 | \$ 2,745,546.00 | \$ 2,648,883.00 |
| Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% |
| State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 250.03% | 269.71% | 319.89% | 331.04% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | -0.79% | -0.36% | 0.28% | 0.91% |
| | Measurement Date Ended June 30, | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | |
| Proportion of the Net OPEB Liability | 0.00% | 0.00% | 0.00% | |
| State's Proportionate Share of the Net OPEB Liability Associated with the Employer | 100.00% | 100.00% | 100.00% | |
| Total | 100.00% | 100.00% | 100.00% | |
| Proportionate Share of the Net OPEB Liability | \$ - | \$ - | \$ - | |
| State's Proportionate Share of the Net OPEB Liability Associated with the Employer | 7,228,745.00 | 7,653,592.00 | 8,746,977.00 | |
| Total | \$ 7,228,745.00 | \$ 7,653,592.00 | \$ 8,746,977.00 | |
| Covered Payroll (Plan Measurement Period) | \$ 2,380,983.00 | \$ 2,033,013.00 | \$ 1,748,329.00 | |
| Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | |
| State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 303.60% | 376.47% | 500.30% | |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 1.98% | 1.97% | 1.03% | |

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2023 | 3.65% | 2019 | 3.50% |
| 2022 | 3.54% | 2018 | 3.87% |
| 2021 | 2.16% | 2017 | 3.58% |
| 2020 | 2.21% | | |

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend update.

There were no changes to mortality projections.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided – The Township is referred to as “Employer” throughout this note. The Employer provides postretirement health care benefits through a health plan for retirees of the Superior Officers Association of PBA Local 122, which includes a medical, dental, vision, and prescription plan. The Employer provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: Township employees who retire from the Superior Officers Association of PBA Local 122, including their spouse and eligible dependents, who have at least twenty (20) years or more as a police officer in Franklin Township and twenty-five (25) years of credited service with the Police and Fire Retirement System (PFRS). The Plan is administered by the Employer; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the Township provides the retirees with a detailed accounting of the costs. These officers will pay fifteen (15%) of the premium for the life of this contract and the life of future contracts.

Employees Covered by Benefit Terms - As of January 1, 2024, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

| | |
|--|----|
| Inactive Employees or Beneficiaries Currently Receiving Benefit Payments | 15 |
| Inactive Employees Entitled to but Not Yet Receiving Benefit Payments | - |
| Active Employees | 8 |
| | 23 |

Total OPEB Liability

The Employer’s total OPEB liability of \$17,197,287.00 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Inflation | 3.00% |
| Salary Increases | 3.00% |
| Discount Rate | 4.28% |
| Healthcare Cost Trend Rates | Increase at an annual rate of 7.0% to 4.5% ultimate, Dental 4.5% flat |
| Retirees' Share of Benefit-Related Costs | Future retirees are assumed to contribute 15% for medical, prescription and dental benefits. |

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Bond index rate as of December 31, 2024.

Mortality rates were based on the RP-2010 Mortality Table with MP-2021 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2024 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability**

| | | |
|--|-------------------|-------------------------|
| Balance at December 31, 2023 | | \$ 9,853,404.00 |
| Changes for the Year: | | |
| Service Cost | \$ 64,279.00 | |
| Interest Cost | 385,387.00 | |
| Benefit Payments | (437,402.00) | |
| Changes in Assumptions | (897,152.00) | |
| Difference Between Expected and Actual Experience | 7,911,191.00 | |
| Changes of Benefit Terms | <u>317,580.00</u> | |
| Net Changes | | <u>7,343,883.00</u> |
| Balance at December 31, 2024 | | <u>\$ 17,197,287.00</u> |

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at December 31, 2023, to 4.28% at December 31, 2024.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Employer, as well as what the Employer's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| | <u>December 31, 2024</u> | | |
|----------------------|--|---|--|
| | 1.00% Decrease <u>(3.28%)</u> | Current Discount Rate <u>(4.28%)</u> | 1.00% Increase <u>(5.28%)</u> |
| Total OPEB Liability | <u>\$ 20,400,334.00</u> | <u>\$ 17,197,287.00</u> | <u>\$ 14,700,783.00</u> |

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

| | <u>December 31, 2024</u> | | |
|----------------------|---------------------------|--|---------------------------|
| | 1.00% Decrease | Healthcare Cost Trend Rates | 1.00% Increase |
| Total OPEB Liability | <u>\$ 14,611,126.00</u> | <u>\$ 17,197,287.00</u> | <u>\$ 20,517,161.00</u> |

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2024, the Employer recognized OPEB (benefit) expense of \$2,589,039.00. As of December 31, 2024, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--|---|
| Changes in Assumptions | \$ - | \$ 732,301.00 |
| Difference Between Expected and Actual Experience | <u>5,933,393.00</u> | <u>-</u> |
| | <u>\$ 5,933,393.00</u> | <u>\$ 732,301.00</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

| Year Ending <u>Dec 31,</u> | |
|---------------------------------------|-------------------------------|
| 2025 | \$ 1,694,073.00 |
| 2026 | 1,753,510.00 |
| 2027 | <u>1,753,509.00</u> |
| | <u>\$ 5,201,092.00</u> |

Supplementary OPEB Information

In accordance with GASB No. 75, the following information is also presented for the Employer's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios (Last 7 Years):**

| | <u>Plan Measurement Date December 31,</u> | | | |
|---|---|------------------------|------------------------|------------------------|
| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
| Total OPEB Liability | | | | |
| Service Cost | \$ 64,279.00 | \$ 55,027.00 | \$ 104,111.00 | \$ 83,880.00 |
| Interest Cost | 385,387.00 | 388,199.00 | 135,871.00 | 122,800.00 |
| Benefit Payments | (437,402.00) | (389,781.00) | (365,954.00) | (234,248.00) |
| Changes in Assumptions | (897,152.00) | 520,912.00 | (4,336,566.00) | (297,181.00) |
| Changes of Benefit Terms | 317,580.00 | - | - | - |
| Difference Between Expected and Actual Experience | 7,911,191.00 | 77,227.00 | 7,442,656.00 | - |
| Net Change in Total OPEB Liability | 7,343,883.00 | 651,584.00 | 2,980,118.00 | (324,749.00) |
| Total OPEB Liability - Beginning of Year | 9,853,404.00 | 9,201,820.00 | 6,221,702.00 | 6,546,451.00 |
| Total OPEB Liability - End of Year | <u>\$ 17,197,287.00</u> | <u>\$ 9,853,404.00</u> | <u>\$ 9,201,820.00</u> | <u>\$ 6,221,702.00</u> |
| Covered-Employee Payroll | \$ 969,375.00 | \$ 268,955.00 | \$ 239,746.00 | \$ 795,687.58 |
| Total OPEB Liability as a Percentage of Covered Payroll | 1774.06% | 3663.59% | 3838.15% | 781.93% |
| | <u>Plan Measurement Date December 31,</u> | | | |
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | |
| Total OPEB Liability | | | | |
| Service Cost | \$ 137,958.00 | \$ 101,656.00 | \$ 168,790.00 | |
| Interest Cost | 171,149.00 | 212,146.00 | 245,839.00 | |
| Benefit Payments | (234,248.00) | (126,956.00) | (126,956.00) | |
| Changes in Assumptions | 638,591.00 | 1,234,984.00 | (741,140.00) | |
| Actuarial Demographic Gains | - | | | |
| Difference Between Expected and Actual Experience | (1,157,577.00) | (322,929.00) | (472,141.00) | |
| Net Change in Total OPEB Liability | (444,127.00) | 1,098,901.00 | (925,608.00) | |
| Total OPEB Liability - Beginning of Year | 6,990,578.00 | 5,891,677.00 | 6,817,285.00 | |
| Total OPEB Liability - End of Year | <u>\$ 6,546,451.00</u> | <u>\$ 6,990,578.00</u> | <u>\$ 5,891,677.00</u> | |
| Covered-Employee Payroll | \$ 942,823.14 | \$ 906,575.13 | \$ 913,809.54 | |
| Total OPEB Liability as a Percentage of Covered Payroll | 694.35% | 771.10% | 644.74% | |

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. TOWNSHIP OF FRANKLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Other Notes to Supplementary OPEB Information

Changes of Benefit Terms:

Contract negotiation to provide benefits for individual participant Barbara Freijomil (not otherwise eligible).

Changes of Assumptions:

Implied Subsidy - Approximately \$50,000 is included in Benefit Payments/Contributions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

| <u>Year</u> | <u>Percentage</u> |
|-------------|-------------------|
| 2024 | 4.28% |
| 2023 | 4.00% |
| 2022 | 4.31% |
| 2021 | 2.25% |
| 2020 | 1.91% |
| 2019 | 2.49% |
| 2018 | 3.64% |

Note 9: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The Township compensates employees for unused sick leave and vacation days upon termination or retirement. For unused sick leave, however, the current policy provides one compensated day for every two days accumulated.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2024, accrued benefits for compensated absences are valued at \$1,065,250.81.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 11: LEASE LIABILITY AND LEASE ASSET

The Township, as lessee, has entered into the following leases which meet the requirements of GASB 87:

Copiers - The Township is leasing twenty-seven (27) HP printer copiers with a total lease liability of \$41,501.54. The lease began on June 7, 2021, for a term of five years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 1.25%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments through May 31, 2026. The Township paid \$8,557.80 of lease payments during the year ended December 31, 2024 which were budgeted and paid from the current fund.

Vehicles - The Township is leasing eleven (11) police vehicles with a total lease liability of \$457,771.56. There are 5 separate leases and the first one began on December 1, 2022 for a term of five years. The most recent one began on November 1, 2023 for a term of five years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 4.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on the leases, the Township is making payments through October 31, 2028. The Township paid \$100,830.60 of lease payments during the year ended December 31, 2024 which were budgeted and paid from the current and trust funds.

Under the provisions of GASB 87, as of December 31, 2024, the balance of the lease liability is \$313,448.85, and balance of the related right to use leased assets have a balance of \$303,973.17. The leases are summarized as follows:

| <u>Description</u> | <u>Lease Liability</u> | <u>Lease Asset</u> |
|--------------------|------------------------|----------------------|
| Copiers | \$ 12,010.65 | \$ 11,758.88 |
| Vehicles | 301,438.20 | 292,214.29 |
| | <u>\$ 313,448.85</u> | <u>\$ 303,973.17</u> |

As a result of the regulatory basis of accounting previously described in note 1, the Township has not reported a lease liability or right to use leased assets.

Under the provision of GASB 87, annual requirements to amortize lease obligations and related interest are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|---------------------|----------------------|
| 2025 | \$ 101,463.63 | \$ 10,728.83 | \$ 112,192.46 |
| 2026 | 95,068.46 | 6,523.83 | 101,592.29 |
| 2027 | 95,110.34 | 2,894.11 | 98,004.45 |
| 2028 | 21,806.42 | 349.44 | 22,155.86 |
| Total | <u>\$ 313,448.85</u> | <u>\$ 20,496.21</u> | <u>\$ 333,945.06</u> |

Under the provision of GASB 87, for the year ended December 31, 2024, the Township would have recognized \$95,230.24 in amortization of lease liability and \$14,158.16 in interest on leases.

As a result of the regulatory basis of accounting previously described in note 1, for the year ended December 31, 2024, rental payments of \$109,388.40 were budgeted and paid from the current and trust funds.

Note 12: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2017 - On April 11, 2017, the Township issued \$5,226,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds is to fund various capital ordinances, specifically 25-08, 26-08, 18-11, and 11-15. The final maturity of the bonds is January 15, 2029.

General Improvement Bonds, Series 2023 - On September 27, 2023, the Township issued \$4,809,000.00 of general improvement bonds, with a 4.00% interest rate. The purpose of the bonds is to fund various capital ordinances, specifically 14-17, 17-17, 3-18, 5-18, 14-14/13-21, and 12-23. The final maturity of the bonds is September 15, 2035.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|------------------------|------------------------|
| 2025 | \$ 775,000.00 | \$ 242,425.00 | \$ 1,017,425.00 |
| 2026 | 775,000.00 | 221,112.50 | 996,112.50 |
| 2027 | 785,000.00 | 197,300.00 | 982,300.00 |
| 2028 | 790,000.00 | 170,900.00 | 960,900.00 |
| 2029 | 800,000.00 | 144,300.00 | 944,300.00 |
| 2030-2034 | 2,600,000.00 | 416,000.00 | 3,016,000.00 |
| 2035 | <u>520,000.00</u> | <u>20,800.00</u> | <u>540,800.00</u> |
| Totals | <u>\$ 7,045,000.00</u> | <u>\$ 1,412,837.50</u> | <u>\$ 8,457,837.50</u> |

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

| <u>Description</u> | <u>Balance December 31, 2024</u> | <u>2025 Budget Appropriation</u> |
|-------------------------|--------------------------------------|--|
| Current Fund: | | |
| Emergency Appropriation | \$ 265,250.00 | \$ 265,250.00 |

The appropriations in the 2025 Budget as adopted are not less than that required by the statutes.

Note 14: 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.

Joint Insurance Fund - The Township of Franklin is a member of the Gloucester, Salem, Cumberland Counties Municipal Insurance Joint Insurance Fund (the "Fund"). The Fund provides its members with the following coverage:

- General Liability
- Automotive Liability
- Property (including Auto Physical Damage)
- Fidelity & Performance (Blanket)
- Boiler & Machinery
- Workers' Compensation
- Police Professional
- Public Officials / EPL / Cyber
- Volunteer Directors & Officers Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

- Excess Workers' Compensation
- Excess General Liability
- Non-Owned Aircraft Liability
- Excess Auto Liability
- Optional Excess Public Officials & Employments Practices Liability
- Optional Excess Liability
- Excess Property Including Boiler and Machinery
- Crime

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Township's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

Note 14: RISK MANAGEMENT (CONT'D)

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund
P.O. Box 490
Marlton, New Jersey 08053

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 1999, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Franklin authorized the establishment of the Township of Franklin Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax equal to one cent per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Franklin Open Space, Recreation and Farmland Preservation Trust Funds.

Note 18: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

| <u>Purpose</u> | <u>Adoption</u> | <u>Authorization</u> |
|------------------------------|-----------------|----------------------|
| General Improvements | | |
| Various Capital Improvements | 8/12/2025 | \$ 2,782,075.00 |

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Current Cash - Chief Financial Officer
For the Year Ended December 31, 2024

| | | | |
|---|-------------------|----|----------------------------|
| Balance December 31, 2023 | | \$ | 2,331,128.13 |
| Increased by Receipts: | | | |
| Tax Collector | \$ 49,354,388.80 | | |
| Due from State - Senior Citizens & Veterans Deductions | 117,445.45 | | |
| Federal, State and Other Grant Fund | 308,732.54 | | |
| Trust Other Fund | 355.92 | | |
| Revenue Accounts Receivable | 4,500,953.57 | | |
| Miscellaneous Revenue Not Anticipated | 211,169.93 | | |
| Reimbursement of 2023 Appropriation Reserves | 26,373.48 | | |
| Marriage License Fee - Due to State of New Jersey | 2,100.00 | | |
| Uniform Construction Code Fees -Due to State of New Jersey | 29,754.00 | | |
| Return of Change Fund | 50.00 | | |
| Due Library | 349,510.60 | | |
| Due from County for Election Costs | <u>1,100.00</u> | | |
| | | | <u>54,901,934.29</u> |
| | | | 57,233,062.42 |
| Decreased by Disbursements: | | | |
| 2023 Appropriation Reserves | 232,807.42 | | |
| 2024 Appropriations | 15,268,952.20 | | |
| County Taxes | 9,375,108.13 | | |
| Due County for Added and Omitted Taxes | 62,868.26 | | |
| Local School District Taxes | 13,114,068.98 | | |
| Regional School Tax | 14,219,800.52 | | |
| Fire District Taxes | 2,193,480.60 | | |
| Refund Tax Overpayments | 28,911.58 | | |
| Marriage License Fee - Due to State of New Jersey | 1,950.00 | | |
| Uniform Construction Code Fees - Due to State of New Jersey | 27,284.00 | | |
| Due Library | 392,383.96 | | |
| Due Borough of Newfield | 1,934.28 | | |
| Federal, State and Other Grant Fund | 317,317.19 | | |
| Refund Construction Fees | 3,390.80 | | |
| Trust Other Fund | 2,363.32 | | |
| Trust Municipal Open Space Fund | 126,083.22 | | |
| Reserve for Insurance Claims | <u>205,350.00</u> | | |
| | | | <u>55,574,054.46</u> |
| Balance December 31, 2024 | | \$ | <u><u>1,659,007.96</u></u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Current Cash - Tax Collector
For the Year Ended December 31, 2024

| | | |
|------------------------------------|------------------|-----------------|
| Balance December 31, 2023 | | \$ 5,316,769.26 |
| Increased by Receipts: | | |
| Taxes Receivable | \$ 47,194,261.76 | |
| Tax Title Liens | 10,612.41 | |
| Prepaid Taxes | 574,337.72 | |
| Tax Overpayments | 126,254.72 | |
| Due Borough of Newfield | 1,934.28 | |
| Revenue Accounts Receivable: | | |
| Interest and Costs on Taxes | 168,784.84 | |
| | | 48,076,185.73 |
| | | 53,392,954.99 |
| Decreased by Disbursements: | | |
| Payment to Chief Financial Officer | | 49,354,388.80 |
| Balance December 31, 2024 | | \$ 4,038,566.19 |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Change Funds
 For the Year Ended December 31, 2024

| <u>Office</u> | <u>Balance Dec. 31, 2023</u> | <u>Returned to Treasurer</u> | <u>Balance Dec. 31, 2024</u> |
|---------------------|----------------------------------|----------------------------------|----------------------------------|
| Tax Collector/Clerk | \$ 150.00 | \$ 50.00 | \$ 100.00 |
| Construction | 100.00 | | 100.00 |
| Municipal Court | 100.00 | | 100.00 |
| | <u>\$ 350.00</u> | <u>\$ 50.00</u> | <u>\$ 300.00</u> |
| | <u>\$ 350.00</u> | <u>\$ 50.00</u> | <u>\$ 300.00</u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2024

| Year | Balance | | Added Taxes | Collections | | Canceled | Transferred to Tax Title Liens | Balance Dec. 31, 2024 |
|---|--|-------------------------|---------------------|----------------------|-------------------------|----------------------|--------------------------------|-----------------------|
| | Dec. 31, 2023 | 2024 Levy | | 2023 | 2024 | | | |
| 2021 | \$ 5,520.24 | \$ | \$ 35.40 | \$ | \$ 337.82 | \$ | \$ | \$ 5,217.82 |
| 2022 | 8,134.49 | | 835.91 | | 841.40 | | 120.90 | 8,008.10 |
| 2023 | <u>824,416.11</u> | | <u>10,964.24</u> | | <u>805,394.24</u> | <u>8,083.00</u> | <u>6,843.01</u> | <u>15,060.10</u> |
| | 838,070.84 | - | 11,835.55 | - | 806,573.46 | 8,083.00 | 6,963.91 | 28,286.02 |
| 2024 | | <u>48,188,709.89</u> | <u>6,596.87</u> | <u>745,939.77</u> | <u>46,516,630.67</u> | <u>51,456.49</u> | <u>90,045.03</u> | <u>791,234.80</u> |
| | <u>\$ 838,070.84</u> | <u>\$ 48,188,709.89</u> | <u>\$ 18,432.42</u> | <u>\$ 745,939.77</u> | <u>\$ 47,323,204.13</u> | <u>\$ 59,539.49</u> | <u>\$ 97,008.94</u> | <u>\$ 819,520.82</u> |
| | Taxes Receivable | | | | \$ 47,194,261.76 | | | |
| | Senior Citizens and Veterans | | | | <u>128,942.37</u> | | | |
| | | | | | <u>\$ 47,323,204.13</u> | | | |
| <u>Analysis of 2024 Property Tax Levy</u> | | | | | | | | |
| <u>Tax Yield:</u> | | | | | | | | |
| | General Property Tax | | | | \$ 47,962,798.84 | | | |
| | Added Taxes (54:4-63.1 et. seq.) | | | | <u>225,911.05</u> | | | |
| | | | | | | | <u>\$ 48,188,709.89</u> | |
| <u>Tax Levy:</u> | | | | | | | | |
| | Local School District Tax (Abstract) | | | \$ 12,391,482.00 | | | | |
| | Regional High School District Tax (Abstract) | | | <u>13,967,661.00</u> | | | | |
| | | | | | | \$ 26,359,143.00 | | |
| County Taxes: | | | | | | | | |
| | County Tax (Abstract) | | | | 8,797,834.08 | | | |
| | County Open Space Tax (Abstract) | | | | 577,274.05 | | | |
| | Due County for Added Taxes | | | | <u>44,533.33</u> | | | |
| | | | | | | 9,419,641.46 | | |
| Special District Taxes: | | | | | | | | |
| | Fire District No. 1 | | | | 509,774.00 | | | |
| | Fire District No. 2 | | | | 509,000.46 | | | |
| | Fire District No. 3 | | | | 300,565.44 | | | |
| | Fire District No. 4 | | | | 563,532.00 | | | |
| | Fire District No. 5 | | | | <u>310,608.20</u> | | | |
| | | | | | | 2,193,480.10 | | |
| | Local Tax for Municipal Purposes | | | | 9,304,339.70 | | | |
| | Municipal Open Space Tax | | | | 125,488.71 | | | |
| | Due Municipal Open Space for Added & Omitted Taxes | | | | 594.51 | | | |
| | Minimum Library Tax | | | | 617,564.78 | | | |
| | Add: Additional Tax Levied - Added Taxes | | | | 180,783.21 | | | |
| | Add: Additional Tax Levied by Rounding of Tax Rate | | | | <u>(12,325.58)</u> | | | |
| | | | | | | <u>10,216,445.33</u> | | |
| | | | | | | | <u>\$ 48,188,709.89</u> | |

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2024

| | | |
|---------------------------------|---------------|-----------------------------|
| Balance December 31, 2023 | | \$ 801,943.60 |
| Increased by: | | |
| Transfers from Taxes Receivable | \$ 97,008.94 | |
| Interest and Cost on Tax Sale | <u>894.75</u> | |
| | | <u>97,903.69</u> |
| | | 899,847.29 |
| Decreased by: | | |
| Collections | 10,612.41 | |
| Tax Collector Adjustments | <u>39.44</u> | |
| | | <u>10,651.85</u> |
| Balance December 31, 2024 | | \$ <u><u>889,195.44</u></u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Deferred Charges
For the Year Ended December 31, 2024

| | Created in In 2024 | Balance Dec. 31, 2024 |
|---|-----------------------|--------------------------|
| Emergency Authorization (N.J.S.A. 40A:4-46) | \$ 265,250.00 | \$ 265,250.00 |

TOWNSHIP OF FRANKLIN

CURRENT FUND

Statement of Due To State of New Jersey - Veterans and Senior Citizens Deductions
For the Year Ended December 31, 2024

| | | |
|--|------------------|----------------------|
| Balance Due To, December 31, 2023 | | \$ 2,152.54 |
| Increased by: | | |
| Received from State of New Jersey | \$ 117,445.45 | |
| Deductions Disallowed by Tax Collector - Prior Years | <u>10,635.31</u> | |
| | | <u>128,080.76</u> |
| | | 130,233.30 |
| Decreased by: | | |
| Deductions per Tax Billing: | | |
| Senior Citizen | 33,500.00 | |
| Veterans | <u>94,625.00</u> | |
| | 128,125.00 | |
| Deductions Allowed by Tax Collector - 2024 Taxes | <u>1,250.00</u> | |
| | 129,375.00 | |
| Deductions Disallowed by Tax Collector - 2024 Taxes | <u>432.63</u> | |
| | | <u>128,942.37</u> |
| Balance Due To, December 31, 2024 | | <u>\$ 1,290.93</u> |
| <u>Analysis of Amount Realized:</u> | | |
| Senior Citizens' and Veterans' Deductions Per Tax Billings | \$ 128,125.00 | |
| Senior Citizens' and Veterans' | | |
| Deductions Allowed by Tax Collector - 2024 Taxes | <u>1,250.00</u> | |
| | | \$ 129,375.00 |
| Less: | | |
| Senior Citizens' and Veterans' | | |
| Deductions Disallowed by Tax Collector - 2024 Taxes | | <u>432.63</u> |
| | | <u>\$ 128,942.37</u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2024

| | Balance Dec. 31, 2023 | Accrued In 2024 | Collected | Balance Dec. 31, 2024 |
|---|--------------------------|------------------------|--|--------------------------|
| Miscellaneous Revenue Anticipated: | | | | |
| Fines and Costs: | | | | |
| Municipal Court | \$ 25,913.30 | \$ 387,011.57 | \$ 386,319.91 | \$ 26,604.96 |
| Fees: | | | | |
| Licenses - Alcoholic Beverages | | 35,438.00 | 35,438.00 | |
| Other | | 4,330.00 | 4,330.00 | |
| Fees and Permits - Certificate of Occupancy | | 105,234.06 | 105,234.06 | |
| Interest and Costs on Taxes | | 168,784.84 | 168,784.84 | |
| Interest on Investments and Deposits | | 11,549.30 | 11,549.30 | |
| Housing Inspection Fees | | 25,900.00 | 25,900.00 | |
| Energy Receipts Tax (P.L. 1997, Chapters 162 & 167) | | 1,463,400.20 | 1,463,400.20 | |
| Open Space Pilot Aid | | 6,832.00 | 6,832.00 | |
| Open Space Pilot Aid (2023 Reserve) | | 1,284.00 | 1,284.00 | |
| Municipal Relief Fund | | 150,842.02 | 150,842.02 | |
| Uniform Construction Codes Fees | | 425,657.00 | 425,657.00 | |
| Shared Service Agreements: | | | | |
| Township of Buena - Joint Municipal Court | | 80,000.00 | 80,000.00 | |
| Borough of Newfield - Police Services | | 450,000.00 | 450,000.00 | |
| Township of Buena - Police Services | | 1,119,866.00 | 1,119,866.00 | |
| Other Special Items with Prior Written Consent: | | | | |
| Uniform Fire Safety Act | | 52,449.11 | 52,449.11 | |
| Franchise Fees - Cable Television | | 73,720.01 | 73,720.01 | |
| Local Cannabis Tax Revenue | | 134,239.03 | 134,239.03 | |
| | <u>\$ 25,913.30</u> | <u>\$ 4,822,556.09</u> | <u>\$ 4,821,864.43</u> | <u>\$ 26,604.96</u> |
| | | | Current Fund - Chief Financial Officer | \$ 4,500,953.57 |
| | | | Current Fund - Tax Collector | 168,784.84 |
| | | | Reserve for Municipal Relief Fund | 150,842.02 |
| | | | Open Space Pilot Aid (2023 Reserve) | 1,284.00 |
| | | | | <u>\$ 4,821,864.43</u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of 2023 Appropriation Reserves
 For the Year Ended December 31, 2024

| | <u>December 31, 2023</u> | | Balance After Transfers | Disbursed (Reimbursed) | Balance Lapsed |
|--------------------------------------|--------------------------|-------------------|----------------------------|---------------------------|-------------------|
| | <u>Reserved</u> | <u>Encumbered</u> | | | |
| OPERATIONS WITHIN "CAPS": | | | | | |
| GENERAL GOVERNMENT FUNCTIONS: | | | | | |
| Mayor and Committee: | | | | | |
| Salaries and Wages | \$ 0.16 | \$ | \$ 0.16 | \$ | \$ 0.16 |
| Other Expenses | 1,801.81 | 55.00 | 1,856.81 | 55.00 | 1,801.81 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 1,432.68 | | 1,432.68 | | 1,432.68 |
| Other Expenses | 151.81 | 328.00 | 479.81 | 417.91 | 61.90 |
| Financial Administration - Treasury: | | | | | |
| Salaries and Wages | 1,157.57 | | 1,157.57 | | 1,157.57 |
| Other Expenses | 2,211.35 | 15.47 | 2,226.82 | 2,226.82 | |
| Audit Services: | | | | | |
| Other Expenses | 8,100.00 | | 8,100.00 | | 8,100.00 |
| Data Processing Center: | | | | | |
| Other Expenses | 3,750.40 | 1,673.20 | 5,423.60 | 1,649.50 | 3,774.10 |
| Tax Collection: | | | | | |
| Salaries and Wages | 3,636.47 | | 3,636.47 | | 3,636.47 |
| Other Expenses | 1,730.86 | 50.59 | 1,781.45 | 1,781.45 | |
| Township Administrator: | | | | | |
| Salaries and Wages | 1,495.59 | | 1,495.59 | | 1,495.59 |
| Other Expenses | 20,378.38 | 1,232.13 | 21,610.51 | 20,164.30 | 1,446.21 |
| Legal Services: | | | | | |
| Other Expenses | 84,841.84 | | 84,841.84 | 32,305.83 | 52,536.01 |
| Engineering Services: | | | | | |
| Other Expenses | 13,126.97 | | 13,126.97 | (8,871.50) | 21,998.47 |
| Economic Development: | | | | | |
| Salaries and Wages | 500.00 | | 500.00 | | 500.00 |
| Municipal Court: | 14,039.39 | | 14,039.39 | 14,039.39 | 0.00 |
| Salaries and Wages | 38.20 | | 38.20 | | 38.20 |
| Public Defender: | | | | | |
| Salaries and Wages | 0.04 | | 0.04 | | 0.04 |
| Other Expenses | 1,970.00 | | 1,970.00 | | 1,970.00 |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of 2023 Appropriation Reserves
 For the Year Ended December 31, 2024

| | <u>December 31, 2023</u> | | Balance After Transfers | Disbursed (Reimbursed) | Balance Lapsed |
|---|--------------------------|-------------------|----------------------------|---------------------------|-------------------|
| | <u>Reserved</u> | <u>Encumbered</u> | | | |
| OPERATIONS WITHIN "CAPS": (CONT'D) | | | | | |
| GENERAL GOVERNMENT FUNCTIONS (CONT'D): | | | | | |
| Municipal Land Use Law (N.J.S.A 40:55D-1): | | | | | |
| Planning Board: | | | | | |
| Salaries and Wages | \$ 607.39 | \$ | \$ 607.39 | \$ | \$ 607.39 |
| Other Expenses | 18,934.15 | 25.59 | 18,959.74 | 702.09 | 18,257.65 |
| Zoning Board of Adjustment: | | | | | |
| Salaries and Wages | 14,700.46 | | 14,700.46 | | 14,700.46 |
| Other Expenses | 2,734.67 | 43.48 | 2,778.15 | 43.48 | 2,734.67 |
| PUBLIC SAFETY FUNCTIONS: | | | | | |
| Police Department: | | | | | |
| Salaries and Wages | 61,867.91 | | 61,867.91 | (25,772.03) | 87,639.94 |
| Other Expenses | 30,737.14 | 16,413.33 | 47,150.47 | 25,131.57 | 22,018.90 |
| Office Of Emergency Management: | | | | | |
| Other Expenses | 500.00 | | 500.00 | | 500.00 |
| Uniform Fire Safety and Inspection Act: | | | | | |
| Salaries and Wages | 6,766.06 | | 6,766.06 | | 6,766.06 |
| Other Expenses | 2,743.81 | | 2,743.81 | | 2,743.81 |
| PUBLIC WORKS FUNCTIONS: | | | | | |
| Department of Public Works: | | | | | |
| Salaries and Wages | 24,414.89 | | 24,414.89 | | 24,414.89 |
| Other Expenses | 54,600.07 | 33,658.63 | 88,258.70 | 33,069.12 | 55,189.58 |
| Public Buildings and Grounds: | | | | | |
| Other Expenses | 17,523.12 | 246.66 | 17,769.78 | 6,973.69 | 10,796.09 |
| Vehicle Maintenance: | | | | | |
| Other Expenses | 31,598.06 | 508.15 | 32,106.21 | 2,419.91 | 29,686.30 |
| HEALTH AND WELFARE: | | | | | |
| Health and Human Services: | | | | | |
| Salaries and Wages | 2,590.97 | | 2,590.97 | | 2,590.97 |
| Other Expenses | 1,890.28 | | 1,890.28 | 1,580.25 | 310.03 |
| Environmental Commission: | | | | | |
| Other Expenses | 491.45 | 4.50 | 495.95 | 4.50 | 491.45 |
| PARK AND RECREATION FUNCTIONS: | | | | | |
| Community Center: | | | | | |
| Salaries and Wages | 797.43 | | 797.43 | | 797.43 |
| Other Expenses | 4,438.15 | | 4,438.15 | | 4,438.15 |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of 2023 Appropriation Reserves
 For the Year Ended December 31, 2024

| | <u>December 31, 2023</u> | | Balance After Transfers | Disbursed (Reimbursed) | Balance Lapsed |
|--|--------------------------|-------------------|----------------------------|---------------------------|-------------------|
| | <u>Reserved</u> | <u>Encumbered</u> | | | |
| OPERATIONS WITHIN "CAPS": (CONT'D) | | | | | |
| PARK AND RECREATION FUNCTIONS (CONT'D): | | | | | |
| Historical Society: | | | | | |
| Other Expenses | \$ 500.00 | | \$ 500.00 | | \$ 500.00 |
| Parks and Playgrounds: | | | | | |
| Other Expenses | 1,316.02 | | 1,316.02 | 1,137.50 | 178.52 |
| INSURANCE: | | | | | |
| Insurance: | | | | | |
| Liability Insurance | 3,865.00 | | 3,865.00 | | 3,865.00 |
| Group Insurance Plans for Employees | 85,708.10 | | 85,708.10 | | 85,708.10 |
| Health Insurance Opt Out | 3,634.76 | | 3,634.76 | | 3,634.76 |
| OTHER COMMON OPERATING FUNCTIONS: | | | | | |
| Cable TV Commission: | | | | | |
| Salaries and Wages | 22.59 | | 22.59 | | 22.59 |
| Other Expenses | 560.00 | | 560.00 | 191.00 | 369.00 |
| Celebration of Public Events: | | | | | |
| Other Expenses | 1,000.00 | | 1,000.00 | | 1,000.00 |
| UTILITY EXPENSES AND BULK PURCHASES: | | | | | |
| Electricity | 21,403.63 | 13,729.71 | 35,133.34 | 5,173.52 | 29,959.82 |
| Street Lighting | 6,850.13 | | 6,850.13 | 6,850.13 | |
| Telephone | 15,674.45 | 225.58 | 15,900.03 | 940.17 | 14,959.86 |
| Gas (Propane) | 18,613.49 | | 18,613.49 | (936.52) | 19,550.01 |
| Gasoline and Diesel Fuel | 26,710.31 | 3,648.79 | 30,359.10 | 14,733.98 | 15,625.12 |
| Gasoline | | | | | |
| Landfill Disposal Costs | 281,928.83 | | 281,928.83 | 66,245.88 | 215,682.95 |
| STATE UNIFORM CONSTRUCTION CODE: | | | | | |
| Construction Official: | | | | | |
| Salaries and Wages | 9,620.05 | | 9,620.05 | | 9,620.05 |
| Other Expenses | 38.25 | | 38.25 | | 38.25 |
| STATUTORY EXPENDITURES: | | | | | |
| Contribution to: | | | | | |
| Social Security System (O.A.S.I.) | 45,179.12 | | 45,179.12 | (441.20) | 45,620.32 |
| Unemployment Insurance | 7,458.45 | | 7,458.45 | 3,841.42 | 3,617.03 |

(Continued)

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of 2023 Appropriation Reserves
 For the Year Ended December 31, 2024

| | <u>December 31, 2023</u> | | Balance After Transfers | Disbursed (Reimbursed) | Balance Lapsed |
|--|-----------------------------|----------------------------|-------------------------------|-----------------------------|-----------------------------|
| | <u>Reserved</u> | <u>Encumbered</u> | | | |
| <u>OPERATIONS EXCLUDED FROM "CAPS" :</u> | | | | | |
| Joint Municipal Court: | | | | | |
| Salaries and Wages | \$ 2,752.88 | \$ | \$ 2,752.88 | \$ 726.61 | \$ 2,026.27 |
| Other Expenses | 1,445.12 | | 1,445.12 | 50.17 | 1,394.95 |
| Buena Police Services: | | | | | |
| Other Expenses | <u>5,000.55</u> | | <u>5,000.55</u> | | <u>5,000.55</u> |
| GRAND TOTAL | <u>\$ 977,581.26</u> | <u>\$ 71,858.81</u> | <u>\$ 1,049,440.07</u> | <u>\$ 206,433.94</u> | <u>\$ 843,006.13</u> |
| | | | | \$ (26,373.48) | |
| Reimbursement Cash Disbursed | | | | <u>232,807.42</u> | |
| | | | | <u>\$ 206,433.94</u> | |

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2024

| | | | |
|---|----|----|--------------------------|
| Balance December 31, 2023 (2024) Taxes | | \$ | 745,939.77 |
| Increased by: | | | |
| Collection (2025) Taxes | \$ | | 574,337.72 |
| Transfer from Overpayments | | | <u>60,728.95</u> |
| | | | <u>635,066.67</u> |
| | | | 1,381,006.44 |
| Decreased by: | | | |
| Applied to 2024 Taxes | | | <u>745,939.77</u> |
| Balance December 31, 2024 (2025) Taxes | | \$ | <u><u>635,066.67</u></u> |

Exhibit SA-11

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2024

| | | | |
|--|----|----|-------------------------|
| Balance December 31, 2023 | | \$ | 9,483.53 |
| Increased by: | | | |
| Cash Received | | | <u>126,254.72</u> |
| | | | 135,738.25 |
| Decreased by: | | | |
| Refunds - Chief Financial Officer Cash | \$ | | 28,911.58 |
| Canceled | | | 2,626.62 |
| Transferred to Prepaid Taxes | | | <u>60,728.95</u> |
| | | | <u>92,267.15</u> |
| Balance December 31, 2024 | | \$ | <u><u>43,471.10</u></u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2024

| | | | |
|-------------------|----|-------------------|------------------------|
| Accrued in 2024: | | | |
| 2024 Levy: | | | |
| County General | \$ | 8,797,834.08 | |
| County Open Space | | <u>577,274.05</u> | |
| | | | \$ 9,375,108.13 |
| Decreased by: | | | |
| Disbursements | | | <u>\$ 9,375,108.13</u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Amount Due to County For Added Taxes
 For the Year Ended December 31, 2024

| | | |
|-----------------------------|----|-------------------------|
| Balance December 31, 2023 | \$ | 62,868.26 |
| Increased by: | | |
| County Share of Added Taxes | | <u>44,533.33</u> |
| | | 107,401.59 |
| Decreased by: | | |
| Disbursements | | <u>62,868.26</u> |
| Balance December 31, 2024 | \$ | <u><u>44,533.33</u></u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Local School District Tax
 For the Year Ended December 31, 2024

| | | |
|---------------------------|----|-----------------------------|
| Balance December 31, 2023 | \$ | 722,586.98 |
| Increased by: | | |
| Accrued in 2024: | | |
| Levy 2024 (Calendar Year) | | <u>12,391,482.00</u> |
| | | 13,114,068.98 |
| Decreased by: | | |
| Disbursements | \$ | <u><u>13,114,068.98</u></u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Regional High School District Tax
 For the Year Ended December 31, 2024

| | | |
|---------------------------|----|-----------------------------|
| Balance December 31, 2023 | \$ | 252,139.52 |
| Increased by: | | |
| Accrued in 2024: | | |
| Levy 2024 (Calendar Year) | | <u>13,967,661.00</u> |
| | | 14,219,800.52 |
| Decreased by: | | |
| Disbursements | \$ | <u><u>14,219,800.52</u></u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Due to Fire Districts
 For the Year Ended December 31, 2024

| | | | |
|----------------------------|----|-------------------|------------------------|
| Balance December 31, 2023 | | \$ | 0.50 |
| Accrued in 2024: | | | |
| Levy 2024 (Calendar Year): | | | |
| Fire District No. 1 | \$ | 509,774.00 | |
| Fire District No. 2 | | 509,000.46 | |
| Fire District No. 3 | | 300,565.44 | |
| Fire District No. 4 | | 563,532.00 | |
| Fire District No. 5 | | <u>310,608.20</u> | |
| | | | <u>2,193,480.10</u> |
| | | | 2,193,480.60 |
| Decreased by: | | | |
| Disbursements: | | | |
| Fire District No. 1 | | 509,774.00 | |
| Fire District No. 2 | | 509,000.46 | |
| Fire District No. 3 | | 300,565.94 | |
| Fire District No. 4 | | 563,532.00 | |
| Fire District No. 5 | | <u>310,608.20</u> | |
| | | | <u>\$ 2,193,480.60</u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Due to State of New Jersey - Marriage License Fees
 For the Year Ended December 31, 2024

| | | | |
|----------------------------|--|----|-----------------|
| Balance December 31, 2023 | | \$ | 425.00 |
| Accrued in 2024: | | | |
| Receipts by Township Clerk | | | <u>2,100.00</u> |
| | | | 2,525.00 |
| Decreased by: | | | |
| Payments by Township Clerk | | | <u>1,950.00</u> |
| Balance December 31, 2024 | | \$ | <u>575.00</u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Municipal Open Space Taxes Payable
 For the Year Ended December 31, 2024

| | | | |
|----------------------------|----|---------------|----------------------|
| Accrued in 2024: | | | |
| Increased by: | | | |
| 2024 Levy (Calendar Year): | | | |
| Municipal Open Space Tax | \$ | 125,488.71 | |
| Added & Omitted Taxes | | <u>594.51</u> | |
| | | | \$ 126,083.22 |
| Decreased by: | | | |
| Payments | | | <u>\$ 126,083.22</u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Due from County for Election Costs
 For the Year Ended December 31, 2024

| | | |
|---------------------------|----|------------------------|
| Balance December 31, 2023 | \$ | 4,200.00 |
| Decreased by: | | |
| Receipts | | <u>1,100.00</u> |
| Balance December 31, 2024 | \$ | <u><u>3,100.00</u></u> |

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Due State of New Jersey
 Uniform Construction Code - State Training Fees
 For the Year Ended December 31, 2024

| | | |
|---------------------------|----|-----------|
| Balance December 31, 2023 | \$ | 8,414.00 |
| Increased by: | | |
| Receipts | | 29,754.00 |
| | | 38,168.00 |
| Decreased by: | | |
| Payments | | 27,284.00 |
| Balance December 31, 2024 | \$ | 10,884.00 |

Exhibit SA-21

TOWNSHIP OF FRANKLIN
CURRENT FUND
 Statement of Due From Borough of Newfield
 For the Year Ended December 31, 2024

| | | |
|-------------------------------------|----|----------|
| Balance December 31, 2023 | \$ | 1,761.12 |
| Increased by: | | |
| Collection - Collector | | 1,934.28 |
| | | 3,695.40 |
| Decreased by: | | |
| Disbursed - Chief Financial Officer | | 1,934.28 |
| Balance December 31, 2024 | \$ | 1,761.12 |

TOWNSHIP OF FRANKLIN
CURRENT FUND
Statement of Due From/(To) Library
For the Year Ended December 31, 2024

| | | |
|------------------------------------|----|-------------|
| Balance December 31, 2023 | \$ | (42,873.36) |
| Increased by: | | |
| Cash Disbursed for Library Payroll | | 392,383.96 |
| | | 349,510.60 |
| Decreased by: | | |
| Cash Received from the Library: | | |
| Reimburse Payroll | \$ | 349,510.60 |

TOWNSHIP OF FRANKLIN
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2024

| | | |
|--|---------------|---------------|
| Balance December 31, 2023 | | \$ 658,051.43 |
| Increased by: | | |
| Grants Receivable Canceled | \$ 383,451.20 | |
| Grants Appropriated in Current Fund Budget | 2,575,663.59 | |
| Cash Received in Current Fund: | | |
| Grants Receivable | 308,732.54 | |
| | | 3,267,847.33 |
| | | 3,925,898.76 |
| Decreased by: | | |
| Operations: | | |
| Cancellation of Federal, State and Other Grants Appropriated | 380,468.20 | |
| Expenditures Paid by the Current Fund - | | |
| Grants Appropriated, Net of Refunds | 317,317.19 | |
| Grants Receivable in Current Fund Budget | 2,575,663.59 | |
| | | 3,273,448.98 |
| Balance December 31, 2024 | | \$ 652,449.78 |

TOWNSHIP OF FRANKLIN
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2024

| <u>Program</u> | Balance Dec. 31, 2023 | Accrued | Received | Canceled | Balance Dec. 31, 2024 |
|--|--------------------------|------------------------|----------------------|----------------------|--------------------------|
| Federal Grants: | | | | | |
| Federal Emergency Management Agency Bulletproof Vest Fund | \$ 3,534.39 | \$ | \$ | \$ | \$ 3,534.39 |
| Total Federal Grants | <u>3,534.39</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,534.39</u> |
| State Grants: | | | | | |
| New Jersey Transportation Trust Fund Authority Act of 1984: | | | | | |
| Reconstruction of Grant Avenue | 82.26 | | | 82.26 | |
| NJDOT - Dutch Mill Phase 4 | 31,964.13 | | | 31,964.13 | |
| NJDOT - Dutch Mill Phase 5 | 65,075.00 | | 53,698.31 | 11,376.69 | |
| NJDOT - Pennsylvania Ave. Phase 1 | 31,788.89 | | | 31,788.89 | |
| NJDOT - Pennsylvania Ave. Phase 2 | 108,239.23 | | | 108,239.23 | |
| NJDOT - Williamstown Road | 234,990.00 | | | | 234,990.00 |
| NJDOT - 2024 Williamstown Road Phase 2 | | 243,650.00 | | | 243,650.00 |
| Green Acres Grant - Piney Hollow | 200,000.00 | | | 200,000.00 | |
| Local Recreation Improvement Grant | 78,000.00 | | | | 78,000.00 |
| Recycling Tonnage Grant | | 49,791.92 | 49,791.92 | | |
| Municipal Alliance Grant | 5,694.92 | 7,500.00 | 4,263.00 | | 8,931.92 |
| Body Armor Grant | | 3,453.36 | 3,453.36 | | |
| Clean Communities Grant | | 63,238.40 | 63,238.40 | | |
| National Opioids Settlement Service | | 91,833.55 | 91,833.55 | | |
| Click It or Ticket | | 3,640.00 | 3,640.00 | | |
| Distracted Driving Grant | | 5,600.00 | 5,600.00 | | |
| Emergency Management Assistance Program | 5,000.00 | | | | 5,000.00 |
| Lead Grant Assistance Program (LGAP) | | 2,000,000.00 | | | 2,000,000.00 |
| Sustainable Jersey Small Grants Program | 2,500.00 | | | | 2,500.00 |
| Bulletproof Vest Partnership Grant | 621.50 | 2,419.71 | | | 3,041.21 |
| NJDEP Stormwater Assistance Grant | 10,000.00 | | | | 10,000.00 |
| Gloucester County Improvement Authority | 500.00 | | | | 500.00 |
| Countywide DWI Checkpoint | | 5,880.00 | 5,880.00 | | |
| Drive Sobor or Get Pulled Over | | 4,200.00 | 4,200.00 | | |
| Aggressive Driving Patrol Grant | | 4,200.00 | 4,200.00 | | |
| U Text, U Drive, U Pay | | 7,000.00 | 7,000.00 | | |
| Drunk Driving Enforcement Fund | | 69,542.22 | | | 69,542.22 |
| Total State Grants | <u>774,455.93</u> | <u>2,561,949.16</u> | <u>296,798.54</u> | <u>383,451.20</u> | <u>2,656,155.35</u> |
| Other Grants: | | | | | |
| JIF Wellness Incentive Program | | 1,250.00 | | | 1,250.00 |
| JIF Optional Safety Budget Program | 393.85 | 7,790.15 | 8,184.00 | | |
| JIF EPL/Cyber Risk Management Awards | | 3,750.00 | 3,750.00 | | |
| ANJEC Grant - Environmental Commission | 1,500.00 | | | | 1,500.00 |
| Total Other Grants | <u>1,893.85</u> | <u>12,790.15</u> | <u>11,934.00</u> | <u>-</u> | <u>2,750.00</u> |
| | <u>\$ 779,884.17</u> | <u>\$ 2,574,739.31</u> | <u>\$ 308,732.54</u> | <u>\$ 383,451.20</u> | <u>\$ 2,662,439.74</u> |

TOWNSHIP OF FRANKLIN
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2024

| <u>Program</u> | <u>Balance Dec. 31, 2023</u> | <u>Transferred to Grants Receivable</u> | <u>Realized as Revenue</u> | <u>Balance Dec. 31, 2024</u> |
|---|----------------------------------|---|--------------------------------|----------------------------------|
| State Grants: | | | | |
| Municipal Alliance for Alcohol and Drug Abuse | \$ | \$ 7,500.00 | \$ 7,500.00 | \$ |
| Bulletproof Vest Partnership Grant | | 2,419.71 | 2,419.71 | |
| Body Armor Grant | 3,059.52 | 3,453.36 | 3,059.52 | 3,453.36 |
| NJDOT - 2024 Williamstown Road Phase 2 | | 243,650.00 | 243,650.00 | |
| Clean Communities Grant | | 63,238.40 | 63,238.40 | |
| Recycling Tonnage Grant | | 49,791.92 | 49,791.92 | |
| National Opioids Settlement Service | 10,637.86 | 91,833.55 | 98,691.82 | 3,779.59 |
| Drunk Driving Enforcement Grant | | 69,542.22 | 69,542.22 | |
| Aggressive Driving Patrol Grant | | 4,200.00 | 4,200.00 | |
| Click It or Ticket Grant | | 3,640.00 | 3,640.00 | |
| Distracted Driving Grant | | 5,600.00 | 5,600.00 | |
| Drive Sober Or Get Pulled Over | | 4,200.00 | 4,200.00 | |
| DWI Checkpoint | | 5,880.00 | 5,880.00 | |
| Lead Remediation and Abatement | | 2,000,000.00 | 2,000,000.00 | |
| U Text, U Drive, U Pay | | 7,000.00 | 7,000.00 | |
| Total State Grants | <u>13,697.38</u> | <u>2,561,949.16</u> | <u>2,568,413.59</u> | <u>7,232.95</u> |
| Other Grants | | | | |
| JIF Wellness Reimbursement | | 1,250.00 | 1,250.00 | |
| JIF Optional Safety Budget Program | | 7,790.15 | 3,500.00 | 4,290.15 |
| JIF EPL/Cyber Risk Management Awards | | 3,750.00 | 2,500.00 | 1,250.00 |
| Total Other Grants | <u>-</u> | <u>12,790.15</u> | <u>7,250.00</u> | <u>5,540.15</u> |
| | <u>\$ 13,697.38</u> | <u>\$ 2,574,739.31</u> | <u>\$ 2,575,663.59</u> | <u>\$ 12,773.10</u> |

TOWNSHIP OF FRANKLIN
 FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve For Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2024

| Program | Balance December 31, 2023 | | Transferred from 2024 Budget | | | | Balance Dec. 31, 2024 |
|--|------------------------------|------------------|---------------------------------|-------------------|-----------------|-------------------|--------------------------|
| | Reserved | Encumbered | Appropriation | Disbursed | Reimbursement | Encumbered | |
| Federal Grants: | | | | | | | |
| American Rescue Plan Funding | \$ 125,614.25 | \$ - | \$ - | \$ 24,198.75 | \$ - | \$ 101,415.50 | \$ - |
| Total Federal Grants | 125,614.25 | - | - | 24,198.75 | - | 101,415.50 | - |
| State Grants: | | | | | | | |
| New Jersey Transportation Trust Fund Authority Act of 1984 | | | | | | | |
| Reconstruction of Grant Avenue | 3,462.26 | | | | | | 3,462.26 |
| NJDOT - Dutch Mill Phase 4 | 28,272.63 | | | | | | 28,272.63 |
| NJDOT - Dutch Mill Phase 5 | 14,100.00 | 23,615.11 | | 26,338.42 | | | 11,376.69 |
| NJDOT - Pennsylvania Ave. Phase 1 | 29,117.39 | | | | | | 29,117.39 |
| NJDOT - Pennsylvania Ave. Phase 2 | 108,239.23 | | | | | | 108,239.23 |
| NJDOT - Williamstown Road | 234,990.00 | | | | | | 234,990.00 |
| NJDOT - 2024 Williamstown Road Phase 2 | | | 243,650.00 | | | | 243,650.00 |
| Green Acres Grant - Piney Hollow | 200,000.00 | | | | | | 200,000.00 |
| Body Armor - State Grant | | 1,677.41 | 3,059.52 | 5,812.25 | 1,075.32 | | |
| Click it or Ticket | | | 3,640.00 | 3,640.00 | | | |
| Distracted Driving Grant | | | 5,600.00 | 5,600.00 | | | |
| Clean Communities Grant | 202,420.66 | 16,295.66 | 63,238.40 | 90,237.72 | | 54,022.01 | 137,694.99 |
| Recycle Tonnage Grant | 222,455.32 | | 49,791.92 | 28,090.62 | 1,500.00 | 55,738.39 | 189,918.23 |
| Emergency Management Assistance | 2,550.64 | | | | | | 2,550.64 |
| Alcohol Education and Rehabilitation | 1,636.70 | | | | | | 1,636.70 |
| Alcohol Education and Rehabilitation 2018 | 193.02 | | | | | | 193.02 |
| Municipal Drug Alliance - DMHAS Grant | 3,600.48 | | | 3,600.00 | | | 0.48 |
| Municipal Drug Alliance | 5,607.66 | | 7,500.00 | 1,732.38 | | | 11,375.28 |
| Genna Police Donation | 18,200.00 | | | 1,210.78 | | | 16,989.22 |
| National Opioids Settlement Fund | 35,931.62 | | 98,691.82 | 85,960.02 | | 26,705.00 | 21,958.42 |
| Sustainable Jersey Small Grants Program | 5,000.00 | | | | | | 5,000.00 |
| Bulletproof Vest Partnership Grant | | 2,450.00 | 2,419.71 | 2,450.00 | | | 2,419.71 |
| Countywide DWI Checkpoint | | | 5,880.00 | 5,880.00 | | | |
| Drive Sobor or Get Pulled Over | | | 4,200.00 | 4,200.00 | | | |
| Aggressive Driving Patrol Grant | | | 4,200.00 | 4,200.00 | | | |
| U Text, U Drive, U Pay | | | 7,000.00 | 7,000.00 | | | |
| Drunk Driving Enforcement Fund | | | 69,542.22 | | | 45,645.00 | 23,897.22 |
| Lead Grant Assistance Porgram (LGAP) | 13,000.00 | | 2,000,000.00 | 9,013.09 | | | 2,003,986.91 |
| NJDEP-Stormwater Assistance Program | 25,000.00 | | | | | | 25,000.00 |
| Local Recreation Improvement Grant | 78,000.00 | | | | | 78,000.00 | |
| Total State Grants | 1,231,777.61 | 44,038.18 | 2,568,413.59 | 284,965.28 | 2,575.32 | 260,110.40 | 380,468.20 |

(Continued)

TOWNSHIP OF FRANKLIN
 FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve For Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2024

| Program | Balance December 31, 2023 | | Transferred from 2024 Budget | | | | Balance Dec. 31, 2024 |
|--|------------------------------|---------------------|---------------------------------|----------------------|--------------------|----------------------|--------------------------|
| | Reserved | Encumbered | Appropriation | Disbursed | Reimbursement | Encumbered | |
| Other Grants: | | | | | | | |
| ANJEC Grant - Environmental Commission | \$ 10,800.00 | \$ | \$ | \$ | \$ | \$ | \$ 10,800.00 |
| JIF Programs - Various Years | 10,011.86 | 384.00 | 7,250.00 | 10,728.48 | | | 6,917.38 |
| Newfield Bank K9 | 1,612.32 | | | | | | 1,612.32 |
| Total Other Grants | 22,424.18 | 384.00 | 7,250.00 | 10,728.48 | - | - | 19,329.70 |
| | <u>\$ 1,379,816.04</u> | <u>\$ 44,422.18</u> | <u>\$ 2,575,663.59</u> | <u>\$ 319,892.51</u> | <u>\$ 2,575.32</u> | <u>\$ 361,525.90</u> | <u>\$ 2,940,590.52</u> |
| Budget | | | \$ 488,637.25 | \$ | \$ | | |
| Appropriation by N.J.S.A. 40A:4-87 | | | 2,087,026.34 | | | | |
| Refunds Received in Current Fund | | | | | 2,575.32 | | |
| Expenditures by Current Fund | | | | 319,892.51 | | | |
| | | | <u>\$ 2,575,663.59</u> | <u>\$ 319,892.51</u> | <u>2,575.32</u> | | |

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF FRANKLIN
TRUST FUND
 Statement of Trust Cash - Chief Financial Officer
 For the Year Ended December 31, 2024

| | Animal Control Fund | Trust Other Fund | Municipal Open Space Trust Fund |
|--|---------------------|------------------|---------------------------------|
| Balance December 31, 2023 | \$ 19,681.26 | \$ 872,589.74 | \$ 670,701.74 |
| Increased by: | | | |
| Animal Control License Fees | \$ 19,994.60 | | |
| Due to State of NJ - Department of Health | 5,228.40 | | |
| Return of Change Fund to Cash | 50.00 | | |
| Due Current Fund | | \$ 393.49 | \$ 126,083.22 |
| Municipal Open Space - Revenue Realized | | | 32,010.41 |
| Miscellaneous Trust Reserves: | | | |
| Payroll Deductions Payable | | 7,546,350.84 | |
| P.O.A.A. | | 26.00 | |
| Police Canine Unit | | 8,625.00 | |
| Police Forfeited Funds | | 2,775.16 | |
| Public Defender | | 3,200.00 | |
| Recreation Commission | | 58,288.00 | |
| Senior Citizens | | 1,969.83 | |
| Site Plan Review Escrow | | 343,421.89 | |
| Tree Removal and Replacement | | 35.00 | |
| Police Outside Employment | | 188,761.72 | |
| COAH | | 68,972.44 | |
| Uniform Fire Dedicated Penalties | | 504.38 | |
| | 25,273.00 | 8,223,323.75 | 158,093.63 |
| Subtotal | 44,954.26 | 9,095,913.49 | 828,795.37 |
| Decreased by: | | | |
| Reserve for Animal Control Fund Expenditures | 20,630.67 | | |
| Due to State of NJ - Department of Health | 5,228.40 | | |
| Due Current Fund | | 350.76 | |
| Miscellaneous Trust Reserves: | | | |
| Payroll Deductions Payable | | 7,535,295.15 | |
| Police Canine Unit | | 15,717.80 | |
| Police Forfeited Funds | | 2,000.00 | |
| Public Defender | | 10,700.00 | |
| Recreation Commission | | 63,919.06 | |
| Site Plan Review Escrow | | 296,668.91 | |
| Police Outside Employment | | 189,230.23 | |
| COAH | | 31,185.13 | |
| Uniform Fire Dedicated Penalties | | 1,142.84 | |
| Reserve for Municipal Open Space | | | 75,371.51 |
| | 25,859.07 | 8,146,209.88 | 75,371.51 |
| Balance December 31, 2024 | \$ 19,095.19 | \$ 949,703.61 | \$ 753,423.86 |

TOWNSHIP OF FRANKLIN
TRUST FUND
 Trust Other Fund
 Statement of Trust Cash - Tax Collector
 For the Year Ended December 31, 2024

| | | |
|------------------------------------|-------------------|-----------------------------|
| Balance December 31, 2023 | | \$ 389,468.37 |
| Increased by Receipts: | | |
| Tax Title Liens Redemptions | \$ 365,127.57 | |
| Tax Title Liens Premiums | <u>175,200.00</u> | |
| | | <u>540,327.57</u> |
| | | 929,795.94 |
| Decreased by Disbursements: | | |
| Tax Title Liens Redemptions | 324,178.22 | |
| Tax Title Liens Premiums | 228,100.00 | |
| Interfund Returned to Current Fund | <u>5.16</u> | |
| | | <u>552,283.38</u> |
| Balance December 31, 2024 | | <u><u>\$ 377,512.56</u></u> |

TOWNSHIP OF FRANKLIN
TRUST FUND
Animal Control Fund
Statement of Due to State of New Jersey - Department of Health
For the Year Ended December 31, 2024

Accrued in 2024:

Increased by:

| | |
|-------------------------|-------------|
| 2024 State License Fees | \$ 5,228.40 |
|-------------------------|-------------|

Decreased by:

| | |
|----------------------------|--------------------|
| Disbursements to the State | \$ <u>5,228.40</u> |
|----------------------------|--------------------|

TOWNSHIP OF FRANKLIN
TRUST FUND
 Animal Control Fund
 Statement of Reserve for Animal Control Fund Expenditures
 For the Year Ended December 31, 2024

| | | |
|---|----|-----------|
| Balance December 31, 2023 | \$ | 19,781.26 |
| Increased by: | | |
| Dog License Fees Collected | | 19,994.60 |
| | | 39,775.86 |
| Decreased by: | | |
| Expenditures Under N.J.S.A. 4:19-15.11: Disbursed | | 20,630.67 |
| Balance December 31, 2024 | \$ | 19,145.19 |

| License Fees Collected | |
|------------------------|--------------|
| Year | Amount |
| 2022 | \$ 21,661.60 |
| 2023 | 20,060.20 |
| | \$ 41,721.80 |

TOWNSHIP OF FRANKLIN
TRUST FUND
 Trust Other Fund
 Statement of Due To Current Fund
 For the Year Ended December 31, 2024

| | <u>Balance</u> <u>Dec. 31, 2023</u> | <u>Increased by</u> <u>Receipts</u> | <u>Decreased by</u> <u>Disbursements</u> | <u>Balance</u> <u>Dec. 31, 2024</u> |
|--------------------------------------|--|--|---|--|
| Public Defenders | \$ 18.40 | \$ 1.58 | 18.40 | \$ 1.58 |
| Site Plan Review Escrow | 332.36 | 389.33 | 332.36 | 389.33 |
| Insurance Fund | | 2.58 | | 2.58 |
| Tax Collector | 5.16 | | 5.16 | |
| | <u>355.92</u> | <u>393.49</u> | <u>355.92</u> | <u>393.49</u> |
| | \$ | \$ | \$ | \$ |
| Disbursed by Chief Financial Officer | | | 350.76 | |
| Disbursed by Tax Collector | | | 5.16 | |
| Received by Chief Financial Officer | | <u>393.49</u> | | |
| | | <u>\$ 393.49</u> | <u>355.92</u> | |

TOWNSHIP OF FRANKLIN
 TRUST FUND
 Trust Other Fund
 Statement of Miscellaneous Trust Reserves
 For the Year Ended December 31, 2024

| | Receipts Fees, Refunds and Donations | | Disbursements | | Balance Dec. 31, 2024 |
|----------------------------------|--------------------------------------|-------------------------|----------------------|-------------------------|--------------------------|
| | Balance Dec. 31, 2023 | Chief Financial Officer | Tax Collector | Chief Financial Officer | |
| Historical Society | \$ 2,594.00 | \$ | \$ | \$ | \$ 2,594.00 |
| Municipal Alliance Grant | 160.00 | | | | 160.00 |
| Payroll Deductions Payable | 43,283.31 | 7,546,350.84 | | 7,535,295.15 | 54,339.00 |
| P.O.A.A. | 297.73 | 26.00 | | | 323.73 |
| Police Canine Unit | 13,480.04 | 8,625.00 | | 15,717.80 | 6,387.24 |
| Police Forfeited Funds | 1,800.44 | 2,775.16 | | 2,000.00 | 2,575.60 |
| Public Defender | 8,858.76 | 3,200.00 | | 10,700.00 | 1,358.76 |
| Recreation Commission | 79,870.39 | 58,288.00 | | 63,919.06 | 74,239.33 |
| Senior Citizens | 30,016.92 | 1,969.83 | | | 31,986.75 |
| Site Plan Review Escrow | 339,167.16 | 343,421.89 | | 296,668.91 | 385,920.14 |
| Tax Title Liens Redemptions | 2,563.21 | | 365,127.57 | | 43,512.56 |
| Tax Title Liens Premiums | 386,900.00 | | 175,200.00 | | 334,000.00 |
| Train Station Donations | 931.53 | | | | 931.53 |
| Tree Removal and Replacement | | 35.00 | | | 35.00 |
| Police Outside Employment | 168,294.90 | 188,761.72 | | 189,230.23 | 167,826.39 |
| Insurance Fund | 5,100.00 | | | | 5,100.00 |
| COAH | 170,284.82 | 68,972.44 | | 31,185.13 | 208,072.13 |
| Uniform Fire Dedicated Penalties | 8,098.98 | 504.38 | | 1,142.84 | 7,460.52 |
| Total | \$ 1,261,702.19 | \$ 8,222,930.26 | \$ 540,327.57 | \$ 8,145,859.12 | \$ 552,278.22 |
| | | | | | \$ 1,326,822.68 |

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of Cash - Chief Financial Officer
For the Year Ended December 31, 2024

| | | |
|--|---------------|-----------------|
| Balance December 31, 2023 | | \$ 2,771,312.14 |
| Increased by: | | |
| Due to Current Fund | | 840.00 |
| | | 2,772,152.14 |
| Decreased by: | | |
| Transfer to Current Fund - Anticipated Revenue | \$ 126,018.95 | |
| Improvement Authorizations | 888,628.98 | |
| | | 1,014,647.93 |
| Balance December 31, 2024 | | \$ 1,757,504.21 |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2024

| | Balance / (Deficit) Dec. 31, 2023 | Receipts | | Disbursements | | Transfers | | Balance / (Deficit) Dec. 31, 2024 |
|------------------------------|---|------------------------|------------------|-------------------------------|----------------------|----------------------|----------------------|---|
| | | Miscellaneous | | Improvement Authorizations | Miscellaneous | From | To | |
| Capital Improvement Fund | \$ 3,787.00 | | | | | | | \$ 3,787.00 |
| Grants Receivable | (102,439.74) | | | | | | 102,439.74 | |
| Due Current Fund | | 840.00 | | | 103,279.74 | | | (102,439.74) |
| Reserve for Debt Service | 998,790.18 | | | 126,018.95 | | | | 872,771.23 |
| Reserve for Encumbrances | 210,306.38 | | | | 210,306.38 | 60,192.63 | | 60,192.63 |
| Ordinance Number | Improvement Authorizations: | | | | | | | |
| 26-08, 15-14 | Supplemental Environmental Cleanup | 2,838.23 | | | | | | 2,838.23 |
| 18-11 | Various Capital Improvements: | | | | | | | |
| | Purchase Automated Trash and Recycling Cans | 425.50 | | | | | | 425.50 |
| | Purchase Various Radios and Equipment | 9,000.00 | | | | | | 9,000.00 |
| | Construction of Various Infrastructure Improvements for Meredith Farms Redevelopment Project | 891.52 | | | | | | 891.52 |
| 04-13 | Acquisition of Equipment for Police | 680.76 | | | | | | 680.76 |
| 11-15 | Various Capital Improvements: | | | | | | | |
| | Acquisition of Public Works Equipment | 1,453.40 | | | | | | 1,453.40 |
| | Phase I Park Improvements | 109,828.90 | | | | | | 109,828.90 |
| | Repaving and/or Reconstruction of Various Roads | 4,095.22 | | | | | | 4,095.22 |
| | Repaving and/or Reconstruction of Grant Avenue | 29,267.75 | | | | | | 29,267.75 |
| | Various Improvements to the Community Center | 116.33 | | | | | | 116.33 |
| 14-16 | Various Capital Improvements: | | | | | | | |
| | Purchase 4-Ton Diesel Fire Road Maintenance Vehicle | 2,113.00 | | | | | | 2,113.00 |
| | Construction of Hockey Rink | 2,319.45 | | | | | | 2,319.45 |
| | Purchase of Metal Gates | 9,000.00 | | | | | | 9,000.00 |
| | Purchase of Brine Equipment | 3,489.28 | | | | | | 3,489.28 |
| 11-17 | Purchase 4-Wheel Drive Police Vehicles | 8,451.34 | | | | | | 8,451.34 |
| 17-17 | Purchase of Trash Trucks | 14,870.99 | | | | 840.00 | | 15,710.99 |
| 03-18 | Purchase of 4 Trash Trucks | 27,260.92 | | | | | | 27,260.92 |
| 05-18 | Various Capital Improvements: | | | | | | | |
| | Roadway and Drainage Improvements | 2,794.25 | | | | | | 2,794.25 |
| | Acquisition of Bleachers for Sports Complex | 28,000.00 | | | | | | 28,000.00 |
| | Purchase of Public Works Equipment | 3,567.62 | | | | | | 3,567.62 |
| | Direct Install. Program Lighting & HVAC Improvements | 23,358.74 | | | | | | 23,358.74 |
| | Real Property Acquisition: Block 4901, Lot 8 | 6,540.00 | | | | | | 6,540.00 |
| 07-20 | Improvements to Various Township Facilities | 685.00 | | | | | | 685.00 |
| 14-14 as amended by 13-21 | Various Landfill Improvements and Acquisition of Capital Equipment | 42,217.45 | | | | | | 42,217.45 |
| 12-23 | Various Capital Improvements: | | | | | | | |
| | Public Works Vehicles | 650,578.42 | | 530,719.30 | 28,883.11 | | | 90,976.01 |
| | Police Vehicles & Equipment | 192,431.00 | | 249,485.66 | 13,553.16 | 153,302.00 | | 82,694.18 |
| | Court Audio/Video & Equipment | 17,960.00 | | 15,000.00 | | | | 2,960.00 |
| | Police/Comm Center HVAC | 431,053.00 | | 53,730.00 | | | | 377,323.00 |
| | Lacey Rae Drive Basin Reconstruction | 35,580.25 | | 39,694.02 | | | | 35,134.25 |
| | | | | | 17,756.36 | 57,004.38 | | |
| | | <u>\$ 2,771,312.14</u> | <u>\$ 840.00</u> | <u>\$ 888,628.98</u> | <u>\$ 126,018.95</u> | <u>\$ 373,778.75</u> | <u>\$ 373,778.75</u> | <u>\$ 1,757,504.21</u> |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2024

| | |
|------------------------------|-------------------------------|
| Balance December 31, 2023 | \$ 7,809,000.00 |
| Decreased by: | |
| Budget Appropriation to Pay: | |
| General Serial Bonds | <u>764,000.00</u> |
| Balance December 31, 2024 | <u><u>\$ 7,045,000.00</u></u> |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2024

| Ordinance No. | Improvement Description | Balance Dec. 31, 2023 | Funded by Budget Appropriation |
|------------------|--------------------------|--------------------------|--------------------------------------|
| 14-17 | Purchase of Trash Trucks | \$ 840.00 | \$ 840.00 |
| | | \$ 840.00 | \$ 840.00 |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
 Statement of Serial Bonds Payable
 For the Year Ended December 31, 2024

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding December 31, 2024 | | Interest Rate | Balance Dec. 31, 2023 | Decreased | Balance Dec. 31, 2024 | | | | | | |
|-------------------------------|---------------|-----------------|---|------------|---------------|-----------------------|---------------|-----------------------|-----------------|---------------|-----------------|--|--|--|
| | | | Date | Amount | | | | | | | | | | |
| 2017 General Obligation Bonds | 4/11/2017 | \$ 5,226,000.00 | 1/15/2025 | 500,000.00 | 2.00% | \$ 3,000,000.00 | \$ 500,000.00 | \$ 2,500,000.00 | | | | | | |
| | | | 1/15/2026 | 500,000.00 | 2.13% | | | | | | | | | |
| | | | 1/15/2027 | 500,000.00 | 3.00% | | | | | | | | | |
| | | | 1/15/2028 | 500,000.00 | 3.00% | | | | | | | | | |
| | | | 1/15/2029 | 500,000.00 | 3.00% | | | | | | | | | |
| 2023 General Obligation Bonds | 9/27/2023 | 4,809,000.00 | 9/15/2025 | 275,000.00 | 4.00% | 4,809,000.00 | 264,000.00 | 4,545,000.00 | | | | | | |
| | | | 9/15/2026 | 275,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2027 | 285,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2028 | 290,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2029 | 300,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2030 | 520,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2031 | 520,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2032 | 520,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2033 | 520,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2034 | 520,000.00 | 4.00% | | | | | | | | | |
| | | | 9/15/2035 | 520,000.00 | 4.00% | | | | | | | | | |
| | | | | | | | | | \$ 7,809,000.00 | \$ 764,000.00 | \$ 7,045,000.00 | | | |
| | | | Paid by Budget Appropriation | | | | | | | \$ 764,000.00 | | | | |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2024

| Improvement Description | Ord. No. | Ordinance | | Dec. 31, 2023 | | | Expended | Dec. 31, 2024 |
|--|---------------------------|-----------|---------------|------------------------|------------------|--------------------------|----------------------|----------------------|
| | | Date | Amount | Funded | Unfunded | Encumbrances | | Funded |
| Various Capital Improvements: Supplemental Environmental Cleanup | 26-08, 15-14 | 6/24/14 | \$ 288,124.00 | \$ 2,838.23 | \$ | \$ | \$ | 2,838.23 |
| Various Capital Improvements: Purchase Automated Trash and Recycling Cans | 18-11 | 12/13/11 | 335,500.00 | 425.50 | | | | 425.50 |
| Purchase Various Radios and Equipment | | 12/13/11 | 9,000.00 | 9,000.00 | | | | 9,000.00 |
| Construction of Various Infrastructure Improvements for Meredith Farms Redevelopment Project | | 12/13/11 | 1,500,000.00 | 891.52 | | | | 891.52 |
| Acquisition of Equipment for Police | 04-13 | 2/26/13 | 153,030.00 | 680.76 | | | | 680.76 |
| Various Capital Improvements: Acquisition of Public Works Equipment | 11-15 | 6/9/15 | 100,000.00 | 1,453.40 | | | | 1,453.40 |
| Phase I Park Improvements | | 6/9/15 | 200,000.00 | 109,828.90 | | | | 109,828.90 |
| Repaving and/or Reconstruction of Various Roads | | 6/9/15 | 200,000.00 | 4,095.22 | | | | 4,095.22 |
| Repaving and/or Reconstruction of Grant Avenue | | 6/9/15 | 470,000.00 | 29,267.75 | | | | 29,267.75 |
| Various Improvements to the Community Center | | 6/9/15 | 15,000.00 | 116.33 | | | | 116.33 |
| Various Capital Improvements: Purchase 4-Ton Diesel Fire Road Maintenance Vehicle | 14-16 | 11/2/16 | 42,000.00 | 2,113.00 | | | | 2,113.00 |
| Construction of Hockey Rink | | 11/2/16 | 150,000.00 | 2,319.45 | | | | 2,319.45 |
| Purchase of Metal Gates | | 11/2/16 | 9,000.00 | 9,000.00 | | | | 9,000.00 |
| Purchase of Brine Equipment | | 11/2/16 | 9,000.00 | 3,489.28 | | | | 3,489.28 |
| Purchase 4-Wheel Drive Police Vehicles | 11-17 | 6/8/17 | 197,108.34 | 8,451.34 | | | | 8,451.34 |
| Purchase Public Works Equipment | 13-17 | 7/13/17 | 100,000.00 | | | | | |
| Purchase of Trash Trucks | 17-17 | 8/10/17 | 460,000.00 | 14,870.99 | 840.00 | | | 15,710.99 |
| Purchase of 4 Trash Trucks | 03-18 | 3/13/18 | 1,000,000.00 | 27,260.92 | | | | 27,260.92 |
| Various Capital Improvements: Roadway and Drainage Improvements | 05-18 | 5/22/18 | 625,000.00 | 2,794.25 | | | | 2,794.25 |
| Acquisition of Bleachers for Sports Complex | | 5/22/18 | 28,000.00 | 28,000.00 | | | | 28,000.00 |
| Purchase of Public Works Equipment | | 5/22/18 | 158,000.00 | 3,567.62 | | | | 3,567.62 |
| Direct Install. Program Lighting & HVAC Improvements | | 5/22/18 | 54,000.00 | 23,358.74 | | | | 23,358.74 |
| Real Property Acquisition: Block 4901, Lot 8 | | 5/22/18 | 173,000.00 | 6,540.00 | | | | 6,540.00 |
| Improvements to Various Township Facilities | 07-20 | 5/26/20 | 30,000.00 | 685.00 | | | | 685.00 |
| Various Landfill Improvements and Acquisition of Capital Equipment | 14-14 as amended by 13-21 | 10/10/21 | 170,000.00 | 42,217.45 | | | | 42,217.45 |
| Various General Capital Improvements: Public Works Vehicles | 12-23 | 7/11/23 | 701,658.00 | 650,578.42 | | | 559,602.41 | 90,976.01 |
| Police Vehicles & Equipment | | 7/11/23 | 470,566.00 | 192,431.00 | | 153,302.00 | 263,038.82 | 82,694.18 |
| Court Audio/Video & Equipment | | 7/11/23 | 17,960.00 | 17,960.00 | | | 15,000.00 | 2,960.00 |
| Police/Comm Center HVAC | | 7/11/23 | 431,053.00 | 431,053.00 | | | 53,730.00 | 377,323.00 |
| Lacey Rae Drive Basin Reconstruction | | 7/11/23 | 182,763.00 | 35,580.25 | | 57,004.38 | 57,450.38 | 35,134.25 |
| | | | | <u>\$ 1,660,868.32</u> | <u>\$ 840.00</u> | <u>\$ 210,306.38</u> | <u>\$ 948,821.61</u> | <u>\$ 923,193.09</u> |
| | | | | | | Reserve for Encumbrances | \$ 60,192.63 | |
| | | | | | | Disbursed | <u>888,628.98</u> | |
| | | | | | | | <u>\$ 948,821.61</u> | |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of Reserve for Debt Service
For the Year Ended December 31, 2024

| | |
|-------------------------------------|-----------------------------|
| Balance December 31, 2023 | \$ 998,790.18 |
| Decreased by: | |
| Realized as Revenue in Current Fund | <u>126,018.95</u> |
| Balance December 31, 2024 | <u><u>\$ 872,771.23</u></u> |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2024

| | | |
|--------------------------------------|-------------------|-----------------------------|
| Accrued in 2024: | | |
| Increased by: | | |
| Budget Appropriation | \$ 840.00 | |
| Cancellation of Grants by Resolution | <u>102,439.74</u> | |
| | | \$ 103,279.74 |
| Decreased by: | | |
| Cash Received from Current Fund | | <u>840.00</u> |
| Balance December 31, 2024, Due from | | <u><u>\$ 102,439.74</u></u> |

Exhibit SC-9

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
Statement of Grant Receivable
For the Year Ended December 31, 2024

| | |
|----------------------------|-----------------------------|
| Balance December 31, 2023 | \$ 102,439.74 |
| Decreased by: | |
| Cancellation by Resolution | <u><u>\$ 102,439.74</u></u> |

TOWNSHIP OF FRANKLIN
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized but Not Issued
 For the Year Ended December 31, 2024

| Ordinance No. | Improvement Description | Balance Dec. 31, 2023 | Funded by Budget Appropriation |
|------------------|--------------------------|--------------------------|--------------------------------------|
| 17-17 | Purchase of Trash Trucks | \$ 840.00 | \$ 840.00 |
| | | \$ 840.00 | \$ 840.00 |

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

TOWNSHIP OF FRANKLIN
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

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TOWNSHIP OF FRANKLIN
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

None.

TOWNSHIP OF FRANKLIN
 Officials in Office and Surety Bonds

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

| <u>Name</u> | <u>Title</u> | <u>Amount of Surety Bond</u> |
|-------------------|-------------------------------|----------------------------------|
| John Bruno | Mayor | |
| Timothy Doyle | Deputy Mayor | |
| Jonathan Keen | Committeeperson | |
| Michael Marsh | Committeeperson | |
| Mark Fiorella | Committeeperson | |
| Matthew Finley | Township Administrator | (*) |
| Robin Sarlo | Chief Financial Officer | (*) |
| Robin Sarlo | Qualified Purchasing Agent | (*) |
| Barbara Freijomil | Township Clerk | (*) |
| Gina Hayes | Tax Collector | (*) |
| Salvatore Catania | Construction Official | (*) |
| John Armano | Municipal Court Judge | (*) |
| Tracey Bleda | Municipal Court Administrator | (*) |
| Matthew Lyons | Township Solicitor | |
| CME Associates | Township Engineer | |

Designated individuals so marked (*) were covered by \$1,000,000 per loss by the Gloucester County Municipal Joint Insurance Fund Excess Crime Policy, Public Employee Bond Declaration and Excess Public Officials Bond.

All of the bonds were examined and were properly executed.

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant