COLTS NECK TOWNSHIP

COUNTY OF MONMOUTH

REPORT OF AUDIT

2022

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
REPORT OF AUDIT
2022

COLTS NECK TOWNSHIP
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COLTS NECK TOWNSHIP

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2022

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mt. Arlington, NJ
Newton, NJ
Bridgewater, NJ

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Independent Member
BKR International

Independent Auditors' Report

The Honorable Mayor and Members
of the Township Committee
Colts Neck Township
Colts Neck, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of Colts Neck Township, in the County of Monmouth (the "Township") as of and for the years ended December 31, 2022 and 2021, and the related notes to the 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 financial position of each fund and account group of the Township as of December 31, 2022 and 2021, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2022 and 2021, or the changes in financial position where applicable thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws 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

As discussed in Note 17 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. 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 (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws 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.

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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our 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 of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2023 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 22, 2023

NISIVOCCIA LLP

Raymond A. Sarinelli
Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
2022
CURRENT FUND

COLTS NECK TOWNSHIP
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2022	December 31, 2021
ASSETS			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	$ 18,276,199.12	$ 17,692,472.51
Change Fund		500.00	500.00
Total Cash and Cash Equivalents		18,276,699.12	17,692,972.51
Due From State of New Jersey:			
Senior Citizens' and Veterans' Deductions		1,000.00	
		18,277,699.12	17,692,972.51
Receivables and Other Assets With Full Reserves:			
Taxes Receivable	A-7	678,909.16	680,252.50
Tax Title Liens Receivable	A-8	21,306.82	21,271.94
Property Acquired for Taxes at Assessed Valuation		169,000.00	169,000.00
Due from Federal and State Grant Fund	A		58,600.21
Revenue Accounts Receivable	A-9	12,816.64	10,037.40
Total Receivables and Other Assets With Full Reserves	A	882,032.62	939,162.05
Total Current Fund		19,159,731.74	18,632,134.56
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	658,621.46	644,828.57
Grant Receivable	A-14	42,340.21	158,042.13
		700,961.67	802,870.70
TOTAL ASSETS		$ 19,860,693.41	$ 19,435,005.26

COLTS NECK TOWNSHIP
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2022	December 31, 2021
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	$ 1,104,425.67	$ 1,116,056.94
Encumbered	A-3;A-11	51,575.35	44,430.17
		1,156,001.02	1,160,487.11
Prepaid Taxes		458,918.22	599,316.17
Accounts Payable - Vendors			602.01
Due to:			
State of New Jersey:			
Marriage Licenses		75.00	275.00
County of Monmouth:			
Added and Omitted Taxes		66,140.45	58,447.79
Other Trust Fund	B	3,026.67	2,508.70
Regional High School Taxes Payable	A-13	3,933,037.85	4,354,387.85
Local School Taxes Payable	A-12	7,995,781.99	7,785,440.99
Reserve for:			
Alcohol Education Rehabilitation Fund		532.70	532.70
Master Plan		25,070.75	25,070.75
Tax Appeals		200,000.00	200,000.00
Cable/Board of Education Hook-up		20,500.00	19,500.00
Municipal Relief Fund Aid		101,853.00	
State Library Aid		150.00	
		13,961,087.65	14,206,569.07
Reserve for Receivables and Other Assets	A	882,032.62	939,162.05
Fund Balance	A-1	4,316,611.47	3,486,403.44
		$ 19,159,731.74	$ 18,632,134.56
Federal and State Grant Funds:			
Appropriated Grant Reserves	A-15	171,486.14	229,468.41
Encumbrances	A-15	3,000.00	
Unappropriated Grant Reserves	A-16	526,475.53	514,802.08
Due to Current Fund	A		58,600.21
		700,961.67	802,870.70
TOTAL LIABILITIES AND FUND BALANCE		$ 19,860,693.41	$ 19,435,005.26

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2022	2021
Revenue and Other Income Realized			
Fund Balance Utilized		$ 1,750,000.00	$ 2,400,000.00
Miscellaneous Revenue Anticipated		3,637,221.69	2,892,571.57
Receipts from:			
Delinquent Taxes		664,723.59	396,151.78
Current Taxes		54,562,668.80	53,392,548.44
Nonbudget Revenue		582,236.71	814,955.86
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		540,651.80	598,115.99
Prior Year Accounts Payable Cancelled			11,514.00
Senior Citizens' and Veterans' Deductions Cancelled			5,531.51
Interfunds Returned		58,600.21	
Total Income		61,796,102.80	60,511,389.15
Expenditures			
Budget and Emergency Appropriations Within "CAPS":			
Municipal Purposes		13,367,560.68	12,830,788.60
County Taxes		8,499,880.19	8,536,121.68
Due to County for Added and Omitted Taxes		66,140.35	58,447.69
Local School District Taxes		25,514,618.00	25,045,513.00
Regional High School Taxes		11,367,993.00	11,525,469.00
Municipal Open Space Taxes		399,702.55	372,661.70
Refund of Prior Year Revenue			9,215.31
Interfunds Advanced			58,600.21
Total Expenditures		59,215,894.77	58,436,817.19
Excess in Revenue		2,580,208.03	2,074,571.96
Balance January 1	A	3,486,403.44	3,811,831.48
		6,066,611.47	5,886,403.44
Decreased by:			
Utilized as Anticipated Revenue		1,750,000.00	2,400,000.00
Balance December 31	A	$ 4,316,611.47	$ 3,486,403.44

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *	
Fund Balance Anticipated	$ 1,750,000.00		$ 1,750,000.00		
Miscellaneous Revenue:					
Licenses:					
Alcoholic Beverages	15,000.00		15,688.00	$ 688.00	
Fees and Permits	50,000.00		161,697.00	111,697.00	
Fines and Costs:					
Municipal Court	50,000.00		150,116.30	100,116.30	
Interest and Costs on Taxes	50,000.00		197,990.88	147,990.88	
Interest on Investments	50,000.00		165,857.86	115,857.86	
Recreation Fees	50,000.00		161,626.82	111,626.82	
Energy Receipts Tax	1,952,550.00		1,952,549.60	0.40	*
Watershed Moratorium Aid	28,388.00		28,388.00		
Recycling Tonnage Grant	25,484.42		25,484.42		
Clean Communities Program		$ 36,930.74	36,930.74		
Body Armor Fund	774.81	1,480.45	2,255.26		
Sustainable Jersey Small Grant		10,000.00	10,000.00		
Holmdel Municipal Court	225,000.00		225,000.00		
American Rescue Plan	503,636.81		503,636.81		
	3,000,834.04	48,411.19	3,637,221.69	587,976.46	
Receipts from Delinquent Taxes	500,000.00		664,723.59	164,723.59	
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	9,068,315.47		9,714,334.71	646,019.24	
Budget Totals	14,319,149.51	48,411.19	15,766,279.99	1,398,719.29	
Nonbudget Revenue			582,236.71	582,236.71	
	$ 14,319,149.51	$ 48,411.19	$ 16,348,516.70	$ 1,980,956.00	

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COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(continued)

Analysis of Realized Revenue		
Allocation of Current Tax Collections:		
Revenue from Collections of Current Taxes		$ 54,562,668.80
Allocated to:		
Local School District Taxes	$ 25,514,618.00	
Regional High School Taxes	11,367,993.00	
County Taxes	8,566,020.54	
Municipal Open Space Taxes	399,702.55	
		45,848,334.09
Balance for Support of Municipal Budget Appropriations		8,714,334.71
Add: Appropriation "Reserve for Uncollected Taxes"		1,000,000.00
Realized for Support of Municipal Budget		$ 9,714,334.71
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		$ 664,723.59
Analysis of Nonbudget Revenue:		
Miscellaneous Revenue not Anticipated		
Police Reports	$ 2,312.88	
Alarm Fines	6,100.00	
Crown Castle/Global Signal Leases	252,211.05	
Prior Year Refund	84,288.78	
Sale of Fixed Assets and Scrap	4,516.05	
Franchise Fees	98,621.90	
Cell Tower Lease	76,851.02	
Miscellaneous License and Fees	6,625.00	
Seniors & Veterans Deductions 2% Administration Fee	755.00	
Copies	3,653.78	
Hotel Tax	42,242.02	
Other Miscellaneous	4,059.23	
		$ 582,236.71

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Adminstration:					
Salaries & Wages	$ 185,084.74	$ 185,084.74	$ 183,993.95	$ 1,090.79	
Other Expenses	52,550.00	52,550.00	47,243.30	5,306.70	
Mayor & Committee:					
Salaries & Wages	7,500.00	7,500.00	6,000.00	1,500.00	
Municipal Clerk:					
Salaries & Wages	78,227.68	78,227.68	78,172.31	55.37	
Elections:					
Other Expenses	4,000.00	4,000.00	3,176.00	824.00	
Financial Administration:					
Salaries & Wages	95,067.60	95,067.60	94,897.73	169.87	
Other Expenses	54,620.00	54,620.00	54,098.41	521.59	
Audit Services:					
Other Expenses	28,500.00	28,500.00	28,500.00		
Assessment of Taxes:					
Salaries & Wages	45,000.00	45,000.00	44,965.41	34.59	
Other Expenses	24,850.00	24,850.00	13,847.99	11,002.01	
Collection of Taxes:					
Salaries & Wages	182,009.21	183,009.21	182,446.17	563.04	
Other Expenses	7,330.00	6,330.00	6,310.65	19.35	
Legal Costs:					
Other Expenses	422,270.00	422,270.00	417,495.73	4,774.27	
Municipal Court:					
Salaries & Wages	84,584.44	84,584.44	69,082.47	15,501.97	
Other Expenses	10,760.00	10,760.00	9,625.74	1,134.26	
Engineering Services and Costs:					
Other Expenses	50,000.00	50,000.00	48,179.05	1,820.95	
Farmland/Open Space Commission:					
Other Expenses	6,500.00	6,500.00		6,500.00	

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COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT (continued):					
Historical Preservation:					
Salaries & Wages	$ 800.00	$ 800.00		$ 800.00	
Other Expenses	8,600.00	8,600.00	$ 2,425.48	6,174.52	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	159,685.01	159,685.01	159,685.01		
Other Expenses	15,050.00	15,050.00	8,901.05	6,148.95	
Architectural Review:					
Salaries & Wages	750.00	750.00	750.00		
Other Expenses	800.00	800.00		800.00	
Board of Adjustment:					
Salaries & Wages	1,200.00	1,200.00	1,139.00	61.00	
Other Expenses	4,900.00	4,900.00	2,620.63	2,279.37	
Code Enforcement Offical:					
Salaries & Wages	43,998.67	43,998.67	42,729.30	1,269.37	
Other Expenses	4,720.00	4,720.00	3,657.75	1,062.25	
Insurance (NJSA 40A:4-45.3(00)):					
General Liability	263,198.00	263,198.00	260,697.00	2,501.00	
Workers Compensation Insurance	224,134.00	224,134.00	224,134.00		
Employee Group Insurance	664,625.00	664,625.00	583,068.18	81,556.82	
Health Benefit Waiver	17,000.00	17,000.00	17,000.00		
Unemployment Insurance	5,000.00	5,000.00	2,624.28	2,375.72	
PUBLIC SAFETY:					
First Aid Organization- Contribution	19,500.00	19,500.00	14,681.06	4,818.94	
Fire Department:					
Other Expenses	172,000.00	172,000.00	168,811.65	3,188.35	
Emergency Management Service:					
Other Expenses	5,000.00	5,000.00	4,958.10	41.90	

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COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC SAFETY: (Continued)					
Police Department:					
Salaries & Wages	$ 2,667,169.92	$ 2,621,669.92	$ 2,618,270.54	$ 3,399.38	
Other Expenses	158,400.00	203,900.00	144,706.09	59,193.91	
Fire Prevention Bureau:					
Salaries & Wages	36,000.00	36,000.00	30,491.80	5,508.20	
Other Expenses	3,900.00	3,900.00	760.49	3,139.51	
PUBLIC WORKS FUNCTIONS:					
Road Repairs and Maintenance:					
Salaries & Wages	726,206.97	726,206.97	694,613.46	31,593.51	
Other Expenses	421,925.00	421,925.00	322,066.92	99,858.08	
Snow Removal:					
Salaries & Wages	10,670.99	10,670.99	2,158.83	8,512.16	
Other Expenses	268,567.38	233,567.38	100,227.16	133,340.22	
Recycling:					
Salaries & Wages	2,500.00	2,500.00	2,470.79	29.21	
Other Expenses	692,200.00	692,200.00	599,394.63	92,805.37	
Public Buildings & Grounds:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	350,450.00	350,450.00	134,013.44	216,436.56	
Shade Tree Commission:					
Salaries and Wages	1,000.00	1,000.00		1,000.00	
Other Expenses	9,070.00	9,070.00	9,058.67	11.33	
HEALTH & WELFARE:					
Board of Health:					
Salaries & Wages	117,712.23	117,712.23	117,452.46	259.77	
Other Expenses	33,950.00	33,950.00	12,201.96	21,748.04	

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COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
HEALTH & WELFARE: (Continued)					
Environmental Health Services:					
Salaries & Wages	$ 750.00	$ 750.00		$ 750.00	
Other Expenses	1,735.00	1,735.00	$ 474.00	1,261.00	
Animal Control Services:					
Other Expenses	29,500.00	29,500.00	21,832.00	7,668.00	
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Salaries & Wages	220,466.16	220,466.16	183,925.76	36,540.40	
Other Expenses	183,460.00	183,460.00	127,252.60	56,207.40	
UTILITY EXPENSE AND BULK PURCHASES:					
Electricity	28,000.00	28,000.00	26,616.80	1,383.20	
Street Lighting	10,000.00	10,000.00	9,312.04	687.96	
Telephone	57,000.00	57,000.00	56,993.88	6.12	
Natural Gas	17,500.00	17,500.00	16,766.76	733.24	
Gasoline	146,500.00	181,500.00	173,980.22	7,519.78	
UNCLASSIFIED:					
Accumulated Sick and Vacation	10,000.00	10,000.00	10,000.00		
Total Operations Within "CAPS"	9,159,448.00	9,159,448.00	8,205,958.70	953,489.30	
Contingent	5,000.00	5,000.00	4,973.58	26.42	
Total Operations Including Contingent Within "CAPS"	9,164,448.00	9,164,448.00	8,210,932.28	953,515.72	
Detail:					
Salaries and Wages	4,671,383.62	4,671,383.62	4,475,515.69	195,867.93	
Other Expenses	4,493,064.38	4,493,064.38	3,735,416.59	757,647.79	

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COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS":					
Contributions to:					
Public Employees' Retirement System	$ 261,414.00	$ 261,414.00	$ 261,414.00		
Social Security System (O.A.S.I.)	305,000.00	305,000.00	303,966.07	$ 1,033.93	
Police and Firemen's Retirement System of N.J.	620,337.00	620,337.00	620,337.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,186,751.00	1,186,751.00	1,185,717.07	1,033.93	
Total General Appropriations for Municipal Purposes Within "CAPS"	10,351,199.00	10,351,199.00	9,396,649.35	954,549.65	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library (N.J.S.A 40:54-35):					
Salary and Wages	30,000.00	30,000.00	30,000.00		
Other Expenses	22,535.00	22,535.00	13,921.48	8,613.52	
Department of Environmental Protection					
Recycling Tax (N.J.S.A 13:1E-96.5)	30,000.00	30,000.00	30,000.00		
Length of Service Awards Program	40,000.00	40,000.00		40,000.00	
Declared State of Emergency Costs for Snow Removal:					
NJSA 40A:4-45.45(b) and 40A:4-45c(bb)	125,761.63	125,761.63	125,761.63		
Group Health Insurance	5,740.00	5,740.00	5,740.00		
Shared Service Agreements:					
Interlocal Services- County 911	108,011.00	108,011.00	108,011.00		
Interlocal Services- County Tree Services	65,000.00	65,000.00	15,041.14	49,958.86	
Interlocal Services- County Mechanical Services	42,000.00	42,000.00	30,846.36	11,153.64	
Interlocal Services Holmdel Township Court	139,750.00	139,750.00	102,100.00	37,650.00	

COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Excluded from "CAPS": (Continued)					
Public and Private Programs Offset by Revenues:					
Matching Funds for Grants	$ 2,500.00	$ 2,500.00		$ 2,500.00	
Recycling Tonnage	25,484.42	25,484.42	$ 25,484.42		
Body Armor Fund (N.J.S.A. 40A:4 -87 + $1,480.45)	774.81	2,255.26	2,255.26		
Clean Communities Program (N.J.S.A. 40A:4 -87 + $36,930.74)		36,930.74	36,930.74		
Sustainable Jersey Grant (N.J.S.A. 40A:4 -87 + $10,000.00)		10,000.00	10,000.00		
Total Operations Excluded from "CAPS"	637,556.86	685,968.05	536,092.03	149,876.02	
Detail:					
Salaries and Wages	30,000.00	30,000.00	30,000.00		
Other Expenses	607,556.86	655,968.05	506,092.03	149,876.02	
Capital Improvements - Excluded from "CAPS":					
Farmland/Open Space Pres.					
Capital Improvement Fund	400,000.00	400,000.00	400,000.00		
Total Capital Improvements - Excluded from "CAPS"	400,000.00	400,000.00	400,000.00		

COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	$ 1,143,899.00	$ 1,143,899.00	$ 1,143,899.00		
Payment of Bond Anticipation Note Principal					
Interest on Bonds	760,146.40	760,146.40	760,146.40		
Interest on Notes					
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	2,798.25	2,798.25	2,798.25		
MCIA Lease Principal	20,000.00	20,000.00	20,000.00		
MCIA Lease Interest	3,550.00	3,550.00	3,549.98		$ 0.02
Total Municipal Debt Service - Excluded from "CAPS"	1,930,393.65	1,930,393.65	1,930,393.63		
Total General Appropriations - Excluded from "CAPS"	2,967,950.51	3,016,361.70	2,866,485.66	$ 149,876.02	0.02
Subtotal General Appropriations	13,319,149.51	13,367,560.70	12,263,135.01	1,104,425.67	0.02
Reserve for Uncollected Taxes	1,000,000.00	1,000,000.00	1,000,000.00		
Total General Appropriations	$ 14,319,149.51	$ 14,367,560.70	$ 13,263,135.01	$ 1,104,425.67	$ 0.02
Ref:				A	

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COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Ref	Analysis of Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 14,319,149.51	
Appropriation by NJSA 40A:4-87		48,411.19	
		$ 14,367,560.70	
Reserve for Uncollected Taxes			$ 1,000,000.00
Encumbrances	A		51,575.35
Transfer to Appropriated Grant Reserves			74,670.42
Cash Disbursed			12,474,119.12
			13,600,364.89
Less: Appropriation Refunds			337,229.88
			$ 13,263,135.01

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
2022
TRUST FUNDS

COLTS NECK TOWNSHIP
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31, 2022	December 31, 2021
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	$ 484.51	$ 325.37
		484.51	325.37
Other Trust Funds:			
Cash and Cash Equivalents	B-4	6,326,399.99	6,726,211.27
Due from Current Fund	A	3,026.67	2,508.70
		6,329,426.66	6,728,719.97
TOTAL ASSETS		$ 6,329,911.17	$ 6,729,045.34

COLTS NECK TOWNSHIP
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31, 2022	December 31, 2021
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	$ 484.51	$ 325.37
		484.51	325.37
Other Trust Funds:			
Reserve for:			
Donations for Recreations Athletic Fields		10,500.00	
Historical Preservation		3,760.38	4,201.91
Historical Society		41,357.81	41,357.81
Uniform Fire Safety Act Penalties		51,931.85	39,051.59
Law Enforcement Trust Fund		261.85	260.60
Schlesinger Estate		31,792.46	31,792.46
Unemployment Trust Fund		13,051.21	11,255.44
Tax Collector Trust Fund		822,300.00	1,492,361.62
Construction Code Fees		736,933.62	546,095.49
Tree Removal		436.94	436.94
Senior Center Donations		35,342.39	34,933.03
Donations to the Library		661.08	661.08
Storm Recovery		239,251.87	119,895.21
Bid Opening		31,882.60	11,882.60
P.O.A.A. Fines		257.00	257.00
Police Donations		13,486.21	11,175.93
County DWI Task Force		1,966.39	1,966.39
Third Party Police		42,578.79	18,101.39
Council on Affordable Housing		1,071,603.17	1,066,772.01
Developers' Fees For Engineering and Cash Performance Bonds		2,555,062.77	2,557,510.83
Medical Insurance		50,242.43	50,000.00
Alliance Against Substance Abuse		1,888.86	1,882.05
Flexible Spending Account		1,907.17	2,021.83
Farmland Preservation		320,541.11	434,418.06
Accumulated Sick and Vacation		250,428.70	250,428.70
		6,329,426.66	6,728,719.97
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 6,329,911.17	$ 6,729,045.34

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
2022
GENERAL CAPITAL FUND

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2022	December 31, 2021
ASSETS			
Cash and Cash Equivalents	C-2	$ 6,671,725.03	$ 9,866,036.73
Due from State of New Jersey - Department of Transportation Grant		219,700.66	84,050.66
Deferred Charges to Future Taxation:			
Funded		28,912,700.66	26,549,821.20
Unfunded	C-4	2,712,500.00	1,953,407.00
TOTAL ASSETS		$ 38,516,626.35	$ 38,453,315.59
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-8	$ 28,630,000.00	$ 26,380,000.00
Green Acres Trust Loan Payable	C-9		2,770.54
MCIA Lease Payable	C-10	63,000.00	83,000.00
Improvement Authorizations:			
Funded	C-5	3,177,202.46	2,818,708.40
Unfunded	C-5	2,712,500.00	1,442,481.15
Capital Improvement Fund	C-6	110,561.00	79,453.00
Reserve for:			
Debt Service		71,435.62	52,808.68
Encumbrances		3,319,189.44	7,297,005.99
Receivables		219,700.66	84,050.66
Fund Balance	C-1	213,037.17	213,037.17
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 38,516,626.35	$ 38,453,315.59

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref	
Balance December 31, 2021	C	$ 213,037.17
Balance December 31, 2022	C	$ 213,037.17

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
2022
GENERAL FIXED ASSETS ACCOUNT GROUP

COLTS NECK TOWNSHIP
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31, 2022	December 31, 2021
ASSETS		
Land and Land Improvements	$ 10,562,873.00	$ 10,562,873.00
Buildings and Building Improvements	8,122,403.00	8,122,403.00
Machinery, Equipment and Vehicles	9,217,358.00	8,676,036.00
TOTAL ASSETS	$ 27,902,634.00	$ 27,361,312.00
Reserve for Fixed Assets	$ 27,902,634.00	$ 27,361,312.00
	$ 27,902,634.00	$ 27,361,312.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Colts Neck Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Colts Neck Township, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Colts Neck Township do not include the operations of the Volunteer Fire Department.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Colts Neck Township conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (The "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Colts Neck Township accounts for its financial transactions through the following separate funds:

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

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

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

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

General Fixed Assets Account Group - Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is received and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.

2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.

3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; federal and state grants and assistance would be recognized when earned, not when budgeted; inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value, lease assets and payable as well as the related expense would be recorded for leases for which the Township is a lessee, and the Township's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust Funds.

D. Deferred Charges to Future Taxation

The Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans, or by financed purchases agreements.

E. Other Significant Accounting Policies Include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short – term investments with original maturities of three months or less.

Investments - Investments are stated at cost.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

` Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

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

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

General Fixed Assets - In accordance with New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Township has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost except for certain land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets. Maintenance and minor parts and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund and General Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

F. Budget/Budgetary Control

Annual appropriated budgets are usually prepared in the first quarter for current operating farmland preservation and historical preservation trust funds. The budgets are submitted to the governing body and the State Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in NJSA 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2: Long-Term Debt

Summary of Municipal Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power have been pledged to the payment of the general obligation debt principal and interest.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt (Cont'd)

	December 31,		
	2022	2021	2020
Issued			
General:			
Bonds, Loans, Financed Purchases and Notes	$28,693,000.00	$26,465,770.54	$41,022,917.35
Total Issued:	28,693,000.00	26,465,770.54	41,022,917.35
Authorized but not Issued:			
General:			
Bonds and Notes	2,712,500.00	1,953,407.00	919,202.00
Total Authorized but not Issued:	2,712,500.00	1,953,407.00	919,202.00
Less:			
General:			
Debt Authorized by Another Public Body Guaranteed by the Municipality	63,000.00	83,000.00	102,000.00
Farmland Preservation Trust Fund	312,221.00	573,322.00	823,973.00
Reserve for Debt Service	71,435.62	52,808.68	13,321,756.68
	446,656.62	709,130.68	14,247,729.68
Net Bonds, Notes, Loans and Leases Issued and Authorized but Not Issued	$30,958,843.38	$27,710,046.86	$27,694,389.67

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.934%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 7,460,000.00	$ 7,460,000.00	
General Debt	31,405,500.00	446,656.62	$30,958,843.38
	$38,865,500.00	$ 7,906,656.62	$30,958,843.38

Net Debt $30,958,843.38 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, 3,314,049,984.67 = 0.934%.

Even though the $63,000 of financed purchases agreements payable with the Monmouth County Improvement Authority ("MCIA") is deductive to arrive at net debt, the amount is guaranteed by the municipality by ad valorem taxes and should be considered when evaluating the municipality's net debt situation.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition – Annual Debt Statement (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property	$115,991,749.46
Net Debt	30,958,843.38
Remaining Borrowing Power	$ 85,032,906.08

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Serial Bonds:				
General Capital Fund	$27,641,000.00		$ 1,261,000.00	$26,380,000.00
Bond Anticipation Notes:				
General Capital Fund	13,268,948.00		13,268,948.00	
Loans Payable:				
General Capital Fund:				
Green Acres Loans	10,969.35		8,198.81	2,770.54
Financed Purchase Agreements Payable:				
General Capital Fund:				
MCIA Financed Purchase Agreements	102,000.00		19,000.00	83,000.00
	$41,022,917.35	$ -0-	$14,557,146.81	$26,465,770.54

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition – Annual Debt Statement (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022
Serial Bonds:				
General Capital Fund	$ 26,380,000.00	$ 3,655,000.00	$ 1,405,000.00	$ 28,630,000.00
Loans Payable:				
General Capital Fund:				
Green Acres Loans	2,770.54		2,770.54	
Financed Purchase Agreements Payable:				
General Capital Fund:				
MCIA Financed Purchase Agreements	83,000.00		20,000.00	63,000.00
	$ 26,465,770.54	$ -0-	$ 1,427,770.54	$ 28,693,000.00

At December 31, 2022, the Township had capital debt issued and outstanding described as follows:

General Capital Serial Bonds

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2022
MCIA General Obligation Bonds	12/1/2028	5%	$ 3,055,000.00
General Obligation Bonds	11/15/2045	2-4%	21,920,000.00
MCIA General Obligation Bonds	12/1/2034	2-4%	3,655,000.00
			$ 28,630,000.00

General Capital Financed Purchases Payable

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2022
MCIA Financed Purchases Payable	10/1/2025	5%	$ 63,000.00
Total Debt Issued and Outstanding			$ 28,693,000.00

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonds Issued and Outstanding

	Bonds		
Year	Principal	Interest	Total
2023	$ 1,275,000.00	$ 885,683.75	$ 2,193,812.50
2024	1,320,000.00	838,562.50	1,670,862.50
2025	1,380,000.00	779,112.50	1,773,962.50
2026	1,465,000.00	716,862.50	1,538,012.50
2027	1,530,000.00	650,462.50	2,180,462.50
2028-2032	6,880,000.00	2,377,862.50	9,257,862.50
2033-2037	5,780,000.00	1,396,562.50	7,176,562.50
2038-2042	5,600,000.00	792,906.28	6,392,906.28
2043-2045	3,400,000.00	169,218.76	3,569,218.76
Total	$ 28,630,000.00	$ 8,607,233.79	$ 35,753,662.54

Monmouth County Improvement Authority (MICA) Financed Purchase Agreements Payable

On October 8, 2015, the Colts Neck Township entered into a financed purchase agreement with the Monmouth County Improvement Authority in the amount of $301,000. The financed purchase agreement was to fund the purchase of various capital equipment. The Township entered into these financed purchase agreement payments totaling $301,000 of which $218,000 has been liquidated as of December 31, 2022. Principal payments to the Improvement Authority commenced on October 1, 2016 and will continue on a semiannual basis over 10 years.

Schedule of Annual Debt Service for Principal and Interest for the Next Three Years for Finance Purchase Agreements Issued and Outstanding

Year	Amount
2023	$ 23,150.00
2024	23,150.00
2025	23,100.00
	69,400.00
Less: Amount representing Interest	(6,400.00)
Present value of net minimum financed purchase payments	$ 63,000.00

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 3: Fund Balance Appropriated

Fund balance at December 31, 2022, which is appropriated and included in the introduced budget as anticipated revenue for the year ending December 31, 2023 is as follows:

Current Fund	$ 1,950,000.00

Note 4: Local and Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

Local and Regional District Taxes have been raised and liabilities deferred by statutes (under provisions of C.63, P.L. 1991, as amended), resulting in the school taxes payable set forth in the current fund liabilities as follows:

	Local School Tax	
	Balance 12/31/2022	Balance 12/31/2021
Balance of Tax	$ 10,821,881.99	$ 10,611,540.99
Deferred	2,826,100.00	2,826,100.00
Tax Payable	$ 7,995,781.99	$ 7,785,440.99

	Regional School Tax	
	Balance 12/31/2022	Balance 12/31/2021
Balance of Tax	$ 5,456,637.85	$ 5,877,987.85
Deferred	1,523,600.00	1,523,600.00
Tax Payable	$ 3,933,037.85	$ 4,354,387.85

Note 5: Pension Plans

Township employees participate in one of two contributory, defined benefit public employee retirement system: The State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Township contributions to PERS amounted to $261,414 for 2022.

The employee contribution rate was 7.50% effective July 1, 2018.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2021, the Township's liability was $2,644,350 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the Township's proportion was 0.0201%, which was an increase of 0.0022% from its proportion measured as of June 30, 2020. The Township has rolled forward the net pension liability as of June 30, 2021 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2021 information in the Notes to the Financial Statements as the June 30, 2022 information has not been released as of the date of this audit.

For the year ended December 31, 2022, the Township recognized actual pension expense in the amount of $261,414.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) 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 real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 in determining the total pension liability.

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

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2021	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of the Net Pension Liability	$ 3,601,068	$ 2,644,350	$ 1,832,439

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

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

Benefits Provided

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 ten years of service, except for disability benefits, which vest after 4 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, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. 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 costs and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount.

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

Note 5: Pension Plans (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are 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 specified financed amounts), there is no net pension liability or deferred outflows or inflows 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 pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to $620,337 for the year ended December 31, 2022. During the fiscal year ended June 30, 2021, the State of New Jersey contributed $95,050 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of $121,859.

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

Pension Liabilities and Pension Expense

At June 30, 2021, the Township's liability for its proportionate share of the net pension liability was $3,890,413. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The Township's proportionate share of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the State's proportion was 0.0532%, which was a decrease of 0.0020% from its proportion measured as of June 30, 2020. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2021 pension information in the Notes to the Financial Statements as the June 30, 2022 pension information has not been released as of the date of this audit

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State's proportionate share of the net pension liability attributable to the Township is $1,094,178 as of June 30, 2021. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the State's proportion was 0.0532%, which was a decrease of 0.0020% from its proportion measured as of June 30, 2020 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	$	3,890,413
State's Proportionate Share of the Net Pension Liability Associated with the Township		1,094,178
Total Net Pension Liability	$	4,984,591

For the year ended December 31, 2022, the Township recognized total pension expense of $620,337.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	2.75%
Salary Increases:	
Through all future years	3.25 – 15.25% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) 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 real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

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

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate (Cont'd)

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Township	$ 7,568,945	$ 4,984,591	$ 2,833,395

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

Note 6: Accrued Sick and Vacation Benefits

The Township has permitted employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate. It is estimated that the current cost of such compensation would approximate $231,786.53. This amount is not reported either as an expenditure or liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used. The Township has $250,428.70 in a Reserve for Accumulated Sick and Vacation on the Other Trust Funds balance sheet at December 31, 2022.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after December 10.

	2022	2021	2020
Tax Rate	$ 1.661	$ 1.746	$ 1.764
Apportionment of Tax Rate			
Municipal	.286	.281	.272
County	.258	.278	.286
Regional High School	.344	.374	.394
Local School	.773	.813	.812
Assessed Valuations			
2022	$ 3,302,243,043.00		
2021		$ 3,080,714,657.00	
2020			$ 3,004,574,391.00

Comparison of Tax Levies and Collection Currently

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

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2022	$ 55,273,392.97	$ 54,586,419.74	98.76%
2021	54,154,958.69	53,392,548.44	98.59%
2020	53,226,390.79	52,745,088.19	99.10%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents

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

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximated the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Risk Credit – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

> The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

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

Investments

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

As of December 31, 2022, cash and cash equivalents of the Colts Neck Township consisted of the following:

Fund	Checking Account	Change Fund	Total
Current	$18,276,199.12	$ 500.00	$18,276,699.12
Federal and State Grant Fund	658,621.46		658,621.46
Animal Control	484.51		484.51
Other Trust	6,326,399.99		6,326,399.99
General Capital	6,671,725.03		6,671,725.03
	$31,933,430.11	$ 500.00	$31,933,930.11

The carrying amount of the Township's cash and cash equivalents at year end was $31,933,930.11 and the bank balance was $32,627,364.70. As of December 31, 2021 the carrying amount of the Township's cash and cash equivalents was $34,930,374.45 and the bank balance was $34,988,995.21.

Note 9: 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.

The Colts Neck Township is a member of the Mid Jersey Municipal Joint Insurance Fund. This Fund is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

The following coverages are offered by the fund to its members:

a.) Workers Compensation
b.) General Liability
c.) Auto Liability
d.) Property

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 9: Risk Management (Cont'd)

These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2022 audit report for this fund was not filed as of the date of this report. Selected financial information for the Fund as of December 31, 2021 is as follows:

	Mid Jersey Joint Insurance Fund
Total Assets	$ 23,969,480
Net Position	$ 13,715,026
Total Revenue	$ 7,165,870
Total Expenses	$ 7,005,000
Change in Net Position	$ (389,130)
Members Dividends	$ 550,000

Financial statements for the Fund are available at the offices of the Fund's Executive Directors:

Mid Jersey Municipal Joint Insurance Fund

51 Everett Drive Suite 40-B
West Windsor, New Jersey 08550

Health Benefits Insurance

The Township switched to a private health insurance company as of January 1, 2022. There is a provision included in the financial statements in the Other Trust Fund – Reserve for Medical Insurance for claims incurred but not reported as of December 31, 2022 of $50,242, which exceeds the estimated amount for unpaid losses and loss adjustment expenses.

A summary of activity int the Other Trust Fund Reserve for Medical Insurance is detailed as follows:

	2021
Balance, Beginning of the Year	$ 50,000
Provision for Insured Events	242
Balance, End of the Year	$ 50,242

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 9: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. This "Benefit Reimbursement Method" has had no activity in the past three years.

The following is a summary of Township and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

Year	Ending Balance
2022	$ 13,051.21
2021	11,255.44
2020	9,152.87

Note 10: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2022:

Fund	Interfund Receivable	Interfund Payable
Current		$ 3,026.67
Other Trust	$ 3,026.67	
	$ 3,026.67	$ 3,026.67

The interfund receivable in the Other Trust Fund and the interfund payable in the Current Fund is due to added open space taxes which were not turned over to the Farmland Preservation Trust Fund as of December 31.

Note 11: Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on its financial position as of December 31, 2022.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 11: Contingencies (Cont'd)

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of $200,000.

Note 12: Farmland Preservation Trust Fund

In November 1996, the Township created an Farmland Preservation Trust Fund with a tax levy of $.01 per $100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Township. As of December 31, 2022, and 2021 the balances in the Farmland Preservation Trust Fund were $320,541.11, and $434,418.06, respectively.

Note 13: Deferred Compensation Plan

The Colts Neck Township offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan is available to all Township employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

Note 14: Economic Dependency

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

Note 15: Fixed Assets

The following schedule is a summarization of general fixed assets for the year ended December 31, 2022:

	Balance Dec. 31, 2021	Additions	Disposals	Balance Dec. 31, 2022
Land and Land Improvements	$10,562,873			$ 10,562,873
Buildings and Building Improvements	8,122,403			8,122,403
Machinery, Equipment and Vehicles	8,676,036	541,322		9,217,358
	$27,361,312	$ 541,322	$ -0-	$27,902,634

Note 16: Postemployment Benefits Other than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. 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.

Benefits Provided

The Plan provides medical and prescription drug coverage 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.

Contributions

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

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Special Funding Situation

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 percent 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.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The Township has rolled forward the net OPEB liability as of June 30, 2021 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2021 OPEB information in the Notes to the Financial Statements as the June 30, 2022 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense (Cont'd)

The State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2020 was $2,922,933. At June 30, 2020, the State's proportion related to the Township was .054%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

During the year ended June 30, 2021, the State of New Jersey's OPEB benefit related to the Township was $145,504.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% - 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

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

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
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 June 30, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 – June 30, 2018, respectively.

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

COLTS NECK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.65% for fiscal year 2021 and decreases to a 4.5% long term trend rate after seven years. For PPO post 65 medical benefits, the trend rate is initially 13.08% and decreases to a 4.5% long term trend rate starting with fiscal year 2032 and later. For HMO Post 65 medical benefits, the trend rate is initially 13.76% and decreases to a 4.50% long term trend rate starting with fiscal year 2032 and later. For prescription drug benefits, the initial trend rate is 6.75% for fiscal year 2021 and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 17: Leases

The Township entered into four lease agreements for the lease of the Township's cell towers with different wireless carriers. The terms of the leases are for 5 years each which expire on December 31, 2025, March 4, 2033, February 6, 2034 and October 10, 2032. The lessees can extend the leases for two renewal terms of five years each. The initial annual lease payments on the leases totaled $124,593 and the annual lease payments for the remaining years in the existing lease terms will be increased by 3% each year. The total lease payments in 2022 were $252,211.05

COLTS NECK TOWNSHIP

SUPPLEMENTARY DATA

Schedule 1

COLTS NECK TOWNSHIP
SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2022

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

Name	Title	Amount of Bond	Name of Corporate Surety
JP Bartolomeo	Mayor		
Sue Fitzpatrick	Deputy Mayor		
Michael Viola	Committeeperson		
Frank Rizzuto	Committeeperson		
Tara Torchia Buss	Committeeperson		
Trina Lindsey	Municipal Clerk, Secretary to the Township Committee		(A)
John D. Antonides	Chief Financial Officer, Tax Collector and Tax Search Officer	$ 1,000,000.00	(B)
Kathleen M. Capristo	Township Administrator	1,000,000.00	(B)
Cheryl Houss	Deputy Treasurer/Collector		(A)
Nicole Sonnenblick	Municipal Judge		(A)
Meghan Bennett Clark	Municipal Attorney		

(A) All employees, who are not specifically bonded, are covered under $50,000 and $950,000 Faithful Performance Bonds provided by the Mid Jersey Municipal Joint Insurance Funds and the Municipal Excess Liability Joint Insurance Fund, respectively.

(B) Municipal Excess Liability Joint Insurance Fund

All surety bonds were examined and appeared to be properly executed.

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
2022
CURRENT FUND

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2021	A		$ 17,692,472.51
Increased by Receipts:			
Tax Collector		$ 55,296,274.26	
Revenue Accounts Receivable		3,364,560.39	
Miscellaneous Revenue Not Anticipated		582,236.71	
Reserve for Cable/Board of Ed TV Hookup		1,000.00	
Reserve for Municipal Relief Fund Aid		101,853.00	
State Library Aid		150.00	
Appropriation Refunds		337,229.88	
Due from Federal and State Grant Fund:			
Prior Year Interfund Returned		58,600.21	
Due from/to State of New Jersey:			
Veterans' and Senior Citizens' Deductions		37,750.00	
Marriage Licenses		625.00	
			59,780,279.45
			77,472,751.96
Decreased by Disbursements:			
2022 Budget Appropriations		12,474,119.12	
2021 Appropriation Reserves		619,835.31	
Tax Overpayments Refunded		50,038.94	
Accounts Payable		602.01	
Due to Other Trust Funds:			
Prior Year Interfund		2,508.70	
Open Space Tax Levy		396,675.88	
Due to State of New Jersey:			
Marriage License Fees		825.00	
Local School District Taxes		25,304,277.00	
Regional High School Taxes		11,789,343.00	
County Taxes		8,558,327.88	
			59,196,552.84
Balance December 31, 2022	A		$ 18,276,199.12

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2022

	Ref.		
Increased by Receipts:			
Taxes Receivable		$ 54,589,326.22	
Interest and Costs on Taxes		167,823.89	
Year End Penalty		30,166.99	
2023 Prepaid Taxes		458,918.22	
Tax Overpayments		50,038.94	
			$ 55,296,274.26
Decreased by:			
Disbursed to Municipal Treasurer			$ 55,296,274.26

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS

Balance December 31, 2021		$ 644,828.57
Increased by Receipts:		
Unappropriated Reserves	$ 516,085.07	
Grants Receivable	149,828.53	
		665,913.60
		1,310,742.17
Decreased by Disbursements:		
Appropriated Grant Fund Expenditures	89,883.69	
Prior Year Interfund Payable	58,600.21	
Transferred to Current Fund	503,636.81	
		652,120.71
Balance December 31, 2022		$ 658,621.46

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2021	2022 Levy	Collections 2021	Collections 2022	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2022
2021	$ 680,252.50			$ 664,723.59		$ 5,023.25		$ 10,505.66
	680,252.50			664,723.59		5,023.25		10,506
2022		$ 55,273,392.97	$ 599,316.17	53,924,602.63	$ 38,750.00	42,285.79	$ 34.88	668,403.50
	$ 680,252.50	$ 55,273,392.97	$ 599,316.17	$ 54,589,326.22	$ 38,750.00	$ 47,309.04	$ 34.88	$ 678,909.16
Ref.	A							A

Analysis of 2022 Property Tax Levy:

Tax Yield:		
General Purpose Tax		$ 54,850,258.93
Added and Omitted Taxes		423,134.04
		$ 55,273,392.97
Tax Levy:		
Regional High School Taxes		$ 11,367,993.00
Local School District Taxes		25,514,618.00
County Taxes	$ 8,499,880.19	
Due County for Added and Omitted Taxes	66,140.35	
		8,566,020.54
Municipal Open Space Taxes	396,675.88	
Add: Municipal Open Space Added and Omitted Taxes	3,026.67	
		399,702.55
		45,848,334.09
Local Tax for Municipal Purposes Levied	9,068,315.47	
Add: Additional Tax Levied	356,743.41	
		9,425,058.88
		$ 55,273,392.97

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.	
Balance December 31, 2021	A	$ 21,271.94
Increased by:		
Transfer from Taxes Receivable		34.88
Balance December 31, 2022	A	$ 21,306.82

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2021	Accrued In 2022	Collected by Collector	Collected by Treasurer	Balance Dec. 31, 2022
Clerk:					
Licenses:					
Alcoholic Beverages		$ 15,688.00		$ 15,688.00	
Fees and Permits		161,697.00		161,697.00	
Fines and Costs:					
Municipal Court	$ 10,037.40	152,895.54		150,116.30	$ 12,816.64
Interest and Costs on Taxes		167,823.89	$ 167,823.89		
Prior Year Tax Penalties		30,166.99	30,166.99		
Interest on Investments		165,857.86		165,857.86	
Recreation Fees		161,626.82		161,626.82	
Energy Receipts Tax		1,952,549.60		1,952,549.60	
Watershed Moratorium Aid		28,388.00		28,388.00	
Interlocal - Holmdel Court		225,000.00		225,000.00	
American Rescue Plan		503,636.81		503,636.81	
	$ 10,037.40	$ 3,565,330.51	$ 197,990.88	$3,364,560.39	$ 12,816.64
	A				A

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
Administrative and Executive:				
Administration:				
Salaries & Wages	$ 1,321.72	$ 1,321.72	$ 1,321.72	
Other Expenses	69,154.71	69,154.71	7,085.94	$ 62,068.77
Mayor & Committee:				
Salaries & Wages	1,500.00	1,500.00		1,500.00
Municipal Clerk:				
Salaries & Wages	15.59	15.59		15.59
Elections				
Other Expenses	674.00	674.00		674.00
Financial Administration:				
Other Expenses	940.82	940.82	920.00	20.82
Assessment of Taxes:				
Other Expenses	9,721.55	11,721.55	11,420.00	301.55
Legal Costs:				
Other Expenses	5,415.00	50,915.00	49,156.67	1,758.33
Joint Municipal Court:				
Salaries & Wages	1,335.86	1,335.86	120.00	1,215.86
Other Expenses	279.06	1,579.06	1,564.98	14.08
Engineering Services & Costs:				
Other Expenses	28,822.81	28,822.81	28,790.98	31.83
Public Buildings and Grounds:				
Salaries & Wages	2,312.31	2,312.31	2,312.31	
Other Expenses	61,691.81	61,691.81	16,926.65	44,765.16
Municipal Land Use Law:				
Administrative Official - Code Enforcement:				
Salaries & Wages	428.07	428.07		428.07
Other Expenses	2,197.61	2,197.61	702.34	1,495.27
Planning Board:				
Salaries & Wages	9,626.13	9,626.13	9,626.13	
Other Expenses	4,109.60	4,109.60	916.64	3,192.96
Zoning Board of Adjustment:				
Other Expenses	1,829.04	1,829.04	314.08	1,514.96
Shade Tree Commission				
Salaries & Wages	1,000.00	1,000.00	1,000.00	
Other Expenses	6,338.97	6,338.97		6,338.97
GENERAL GOVERNMENT:				
Insurance (NJSA 40A:4-45.3(00)):				
General Liability	37,810.00	37,810.00		37,810.00
Workers Compensation Insurance	1.00	1.00		1.00
Health Benefit Waiver	7,985.21	7,985.21		7,985.21
Unemployment	2,715.45	2,715.45	573.70	2,141.75
PUBLIC SAFETY:				
Emergency Management Services:				
Other Expenses	10,849.50	10,849.50	55.80	10,793.70
Fire Department (P.L. 1983, Ch. 516):				
Other Expenses - Equipment	2,345.62	2,345.62	1,810.25	535.37
Police:				
Salaries and Wages	41,812.02	41,812.02	41,812.02	
Other Expenses	40,529.01	45,529.01	39,187.83	6,341.18
First Aid Organization				
Contribution	3,555.05	3,555.05	538.15	3,016.90
Fire Prevention Bureau				
Salaries & Wages	7,141.29	7,141.29		7,141.29
Other Expenses	4,096.57	4,096.57	84.40	4,012.17
STREET & ROADS:				
Road Repairs and Maintenance:				
Salaries & Wages	55,304.64	27,604.64	5,544.00	22,060.64
Other Expenses	91,453.49	91,453.49	12,543.31	78,910.18
Snow Removal				
Salaries & Wages	6,629.99	6,629.99	6,629.99	
Other Expenses	224,114.68	224,114.68	224,114.68	

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Balance Dec. 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
HEALTH & WELFARE:				
Board of Health:				
Other Expenses	$ 26,791.56	$ 26,791.56	$ 1,382.68	$ 25,408.88
Environmental Health Services:				
Salaries & Wages	750.00	750.00		750.00
Other Expenses	1,735.00	1,735.00		1,735.00
Animal Control Services:				
Other Expenses - Contractual	6,453.01	6,453.01	2,614.00	3,839.01
RECREATION & EDUCATION:				
Recreation:				
Salaries & Wages	12,396.34	12,396.34	12,396.34	
Other Expenses	84,161.66	54,161.66	12,816.22	41,345.44
Recycling				
Other Expenses	94,850.94	94,850.94	27,043.44	67,807.50
Farmland/Open Space Committee				
Salaries & Wages	400.00	400.00		400.00
Other Expenses	600.00	600.00		600.00
UNCLASSIFIED:				
Electricity	20,345.41	20,345.41	6,605.45	13,739.96
Street Lighting	716.16	716.16	486.52	229.64
Telephone	3,500.64	3,500.64	799.73	2,700.91
Gas	18,270.23	22,170.23	22,083.90	86.33
Natural Gas	6,863.96	6,863.96	2,794.50	4,069.46
Historic Preservation				
Salaries & Wages	800.00	800.00		800.00
Other Expenses	3,593.49	3,593.49	2,528.00	1,065.49
Architectural Review				
Salaries & Wages	23.40	23.40	12.50	10.90
Other Expenses	50.40	50.40		50.40
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	4,422.09	4,422.09		4,422.09
Operations Excluded from "CAPS":				
Length of Service Awards Program	40,000.00	40,000.00	32,665.00	7,335.00
Shared Service Agreement:				
Interlocal Services - County 911	3,418.10	3,418.10		3,418.10
Interlocal Services - County Tree Services	57,272.87	57,272.87	24,068.68	33,204.19
Interlocal Services - County Mechanical Services	6,408.78	6,408.78	6,408.78	
Interlocal Services - Freeold Borough Court	500.00	500.00		500.00
Interlocal Services - Holmdel Leaf Disposal	7,500.00	7,500.00		7,500.00
Aid to Library				
Other Expenses	12,058.15	12,058.15	57.00	12,001.15
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants	1,546.74	1,546.74		1,546.74
	$ 1,160,487.11	$ 1,160,487.11	$ 619,835.31	$ 540,651.80

	Ref.	
Balance December 31, 2021:		
Unencumbered	A	$ 1,116,056.94
Encumbered	A	44,430.17
		$ 1,160,487.11

Cash Disbursed $ 619,835.31

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	Ref.	
Balance December 31, 2021		
Local School Tax Payable	A	$ 7,785,440.99
Local School Tax Deferred		2,826,100.00
		10,611,540.99
Increased by:		
Levy - Fiscal Year July 1, 2022 - June 30, 2023		25,514,618.00
		36,126,158.99
Decreased by:		
Payments to Local School District		25,304,277.00
Balance December 31, 2022		$ 10,821,881.99
Analysis of Balance December 31, 2022		
Local School Tax Payable	A	$ 7,995,781.99
Local School Tax Deferred		2,826,100.00
		$ 10,821,881.99

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE/PREPAID

	Ref.	
Balance December 31, 2021		
Regional School Tax Payable		$ 4,354,387.85
Regional School Tax Deferred	A	1,523,600.00
		5,877,987.85
Increased by:		
Levy - Fiscal Year July 1, 2022 - June 30, 2023		11,367,993.00
		17,245,980.85
Decreased by:		
Payments to Regional High School District		11,789,343.00
Balance December 31, 2022		$ 5,456,637.85
Analysis of Balance December 31, 2022		
Regional School Tax Payable	A	$ 3,933,037.85
Regional School Tax Deferred		1,523,600.00
		$ 5,456,637.85

COLTS NECK TOWNSHIP
FEDERAL AND STATE GRANT FUNDS
ANALYSIS OF GRANTS RECEIVABLE

	Balance Dec. 31, 2021	2022 Budget Revenue Realized	Received	Transfer from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2022
Municipal Alliance on Drug and Alcohol Abuse	$ 32,133.13		$ 12,630.92			$ 19,502.21
Clean Communities Grant		$ 36,930.74	36,930.74			
Recycling Tonnage Grant		25,484.42	25,484.42			
Sustainable Jersey Small Grant		10,000.00	5,000.00			5,000.00
Body Worn Camera Grant	100,909.00		61,140.00		$ 39,769.00	
Body Armor Grant		2,255.26	1,480.45	$ 774.81		0.00
Covid-19 Vaccination Grant	25,000.00		7,162.00			17,838.00
American Rescue Plan		503,636.81		503,636.81		
	$ 158,042.13	$ 578,307.23	$ 149,828.53	$ 504,411.62	$ 39,769.00	$ 42,340.21
Ref.	A	A-2	A-6	A-16	A-15	A

COLTS NECK TOWNSHIP
FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF APPROPRIATED GRANT RESERVES

	Balance Dec. 31, 2021	Transferred from Current Fund 2022 Budget	Expended	Encumbered	Cancelled	Balance Dec. 31, 2022
Drunk Driving Enforcement Fund - 2018	$ 6,864.59		$ 5,376.85			$ 1,487.74
Drunk Driving Enforcement Fund - 2021	4,265.46		3,018.60			1,246.86
Recycling Tonnage Grant - 2021	10,131.67		10,131.67			
Recycling Tonnage Grant - 2022		$ 25,484.42	72.40			25,412.02
Clean Communities Program - 2020	31,132.68		28,488.86	$ 2,643.82		
Clean Communities Program - 2021	37,168.29		5,113.48	356.18		31,698.63
Clean Communities Program - 2022		36,930.74				36,930.74
Municipal Alliance on Drug and Alcohol Abuse - 2020	291.50		291.50			
Municipal Alliance on Drug and Alcohol Abuse - 2021	12,150.00		9,565.80			2,584.20
Body Armor Grants - 2022		2,255.26	183.42			2,071.84
Sustainable Jersey Small Grant - 2021	2,000.00					2,000.00
Sustainable Jersey Small Grant - 2022		10,000.00				10,000.00
Covid-19 Vaccination Grant	24,555.22		14,211.11			10,344.11
Body Worn Camera Grant	100,909.00		13,430.00		$ 39,769.00	47,710.00
	$ 229,468.41	$ 74,670.42	$ 89,883.69	$ 3,000.00	$ 39,769.00	$ 171,486.14
Ref.	A			A		A

COLTS NECK TOWNSHIP
FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Cash Received	Revenue Realized	Balance Dec. 31, 2022
Body Armor Grant	$ 774.81	$ 2,057.80	$ 774.81	$ 2,057.80
American Rescue Plan Grant	514,027.27	514,027.27	503,636.81	524,417.73
	$ 514,802.08	$ 516,085.07	$ 504,411.62	$ 526,475.53
Ref.	A	A-6	A-14	A

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
2022
TRUST FUNDS

COLTS NECK TOWNSHIP
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Fund		Other Trust Funds	
Balance December 31, 2021	B		$ 325.37		$ 6,726,211.27
Increased by Receipts:					
Animal Control Fees Collected		$ 2,752.00			
State Registration Fees		426.00			
Current Fund:					
Interest Earned on Deposits		6.77		$ 2,861.37	
Prior Year Interfund				2,508.70	
Escrow Deposits				160,080.74	
Law Enforcement				1.25	
Tax Collector:					
Third Party Liens				519,957.10	
Farmland Preservation Trust:					
Open Space/Farmland Preservation Tax Levy				394,246.64	
Interest Earned on Deposits				2,704.98	
Council on Affordable Housing:					
Interest Earned on Deposits				5,135.32	
Deposits				118,794.00	
Municipal Alliance Against Drug Abuse					
Interest Earned on Deposits				6.81	
Senior Citizen Building				409.36	
Construction Code Official:					
Fees				525,985.00	
Interest Earned on Deposits				3,335.21	
Donations for Recreations Athletic Fields				10,500.00	
Uniform Fire Safety Act Penalties				12,880.26	
Unemployment Trust Fund				8,025.27	
Storm Recovery				184,959.44	
Bid Opening				20,000.00	
Public Defender				600.00	
Police Donations				2,804.39	
Third Party Police				692,523.01	
Flexible Spending Account				5,462.79	
Medical Insurance Trust				242.43	
			3,184.77		2,674,024.07
			3,510.14		9,400,235.34

COLTS NECK TOWNSHIP
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

		Animal Control Fund		Other Trust Funds	
Decreased by Disbursements:					
Administrative Expenses (R.S. 4:19-15.11)		$ 2,592.86			
State Dog License Fees		426.00			
Due Current Fund - Interest on Deposits		6.77		$ 2,861.37	
General Escrow				162,528.80	
Tax Collector:					
Third Party Liens				534,618.72	
Tax Sale Premiums				655,400.00	
Farmland Preservation Trust				513,855.24	
Council on Affordable Housing				119,098.16	
Construction Code Official				338,482.08	
Historical Preservation				441.53	
Unemployment Trust Fund				6,229.50	
Snow Removal				65,602.78	
Public Defender				600.00	
Police Donations				494.11	
Third Party Police				668,045.61	
Flexible Spending Account				5,577.45	
			$ 3,025.63		$ 3,073,835.35
Balance December 31, 2022	B		$ 484.51		$ 6,326,399.99

COLTS NECK TOWNSHIP
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2021	B		$ 325.37
Increased by:			
Dog License Fees Collected		$ 2,552.00	
Late, Impound and Boarding Fees		200.00	
	B-4		2,752.00
			3,077.37
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-4		2,592.86
Balance December 31, 2022	B		$ 484.51

License Fees Collected

Year	Amount
2020	$ 2,631.20
2021	2,675.20
Maximum Allowable Reserve	$ 5,306.40

COLTS NECK TOWNSHIP
COUNTY OF MONMOUTH
2022
GENERAL CAPITAL FUND

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2021	C		$ 9,866,036.73
Increased by:			
Budget Appropriations			
Capital Improvement Fund		$ 400,000.00	
Premium on Bond Sale		435,703.94	
Serial Bonds Issued		3,655,000.00	
Grants Receivable			
New Jersey Department of Transportation		236,950.00	
Due Current Fund:			
Interest Earned		18,691.19	
			4,746,345.13
			14,612,381.86
Decreased by:			
Due to Current Fund:			
Interest Returned		18,691.19	
Improvement Authorization Expenditures		7,921,965.64	
			7,940,656.83
Balance December 31, 2022	C		$ 6,671,725.03

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2021	Receipts			Disbursements		Transfers		Balance (Deficit) Dec. 31, 2022
		Budget Appropriation	Serial Bonds Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	$ 213,037.17								$ 213,037.17
Capital Improvement Fund	79,453.00	$ 400,000.00					$ 368,892.00		110,561.00
Reserve for:									
Debt Service	52,808.68			$ 435,703.94			417,077.00		71,435.62
Encumbrances	7,297,005.99						7,297,005.99	$ 3,319,189.44	3,319,189.44
Due Current Fund				18,691.19		18,691.19			
New Jersey Department of Transportation Receivable	(84,050.66)			236,950.00			372,600.00		(219,700.66)
Ord. No. / Improvement Description									
09-10 Various Capital Improvements/Equipment	11,920.00								11,920.00
09-19 Acquisition of Affordable Housing Units	37,500.00								37,500.00
16-02 Various Capital Improvements	138,395.71				$ 60,034.20				78,361.51
16-09 Various Capital Improvements/Equipment	7,901.00						13,300.00	5,500.00	101.00
17-06 Various General Capital Improvements	36,333.09				3,574.15				32,758.94
17-14 Various Capital Improvements/Equipment	54,526.98				1,585.70		35,950.00		16,991.28
)18-08/2019-10 Various Capital Improvements	15,023.17		142,857.00		171,142.81		10,035.36	26,148.00	2,850.00
2018-11 Various Capital Improvements	112,710.87				32,610.22		11,790.00		68,310.65
2019-9 Various Capital Improvements/Equipment	135,570.53				21,602.10		19,305.00	655.00	95,318.43
2020-4 Construction of a Municipal Building and Municipal Complex Improvements	1,660,000.00				6,632,172.22		1,264,580.23	6,975,913.36	739,160.91
2020-13 Various Capital Improvements	312,730.95				8,845.00		7,600.00		296,285.95
2020-14 Various Roadway Improvements	229,103.96				1,565.00				227,538.96
2021-11 Various Capital Improvements	66,992.14				12,457.94				54,534.20
2021-12 Various Capital Improvements	(510,925.85)		1,098,050.00		367,916.26		214,923.74	288,789.63	293,073.78
2022-04 Acquisition of Real Property								100,000.00	100,000.00
2022-06 Various Capital Improvements					58,950.19		54,997.25	165,701.00	51,753.56
2022-07 Various Capital Improvements/Equipment			2,414,093.00		549,509.85		1,686,707.86	892,868.00	1,070,743.29
	$ 9,866,036.73	$ 400,000.00	$ 3,655,000.00	$ 691,345.13	$ 7,921,965.64	$ 18,691.19	$ 11,774,764.43	$ 11,774,764.43	$ 6,671,725.03

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Funded by Serial Bonds Issued	Funded by Reserve for Debt Service	Balance Dec. 31, 2022	Analysis of Balance December 31, 2022 Expended	Analysis of Balance December 31, 2022 Unexpended Improvement Authorizations
2009-19	Acquisition of Affordable Housing Units	$ 712,500.00				$ 712,500.00		$ 712,500.00
2018-08	Various Capital Improvements	142,857.00		$ 142,857.00				
2021-12	Various Capital Improvements	1,098,050.00		1,098,050.00				
2022-04	Acquisition of Real Property		$ 2,000,000.00			2,000,000.00		2,000,000.00
2022-07	Various Capital Improvements/Equipment		2,831,170.00	2,414,093.00	$ 417,077.00			
		$ 1,953,407.00	$ 4,831,170.00	$ 3,655,000.00	$ 417,077.00	$ 2,712,500.00	$ -0-	$ 2,712,500.00
	Ref.	C				C		
						Improvement Authorizations - Unfunded		$ 2,712,500.00

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2021 Funded	Balance December 31, 2021 Unfunded	2022 Authorizations Other Funding Sources	2022 Authorizations Deferred Charges to Future Taxation-Unfunded	Prior Year Encumbrances Returned	Cash Disbursed	Encumbrances	Balance December 31, 2022 Funded	Balance December 31, 2022 Unfunded
2009-10	Various Capital Improvements/Equipment	05/27/09	$ 125,000.00	$ 11,920.00							$ 11,920.00	
2009-19	Acquisition of Affordable Housing Units	11/12/09	750,000.00	37,500.00	$ 712,500.00						37,500.00	$ 712,500.00
2016-02	Various Capital Improvements	01/13/16	2,740,000.00	138,395.71					$ 60,034.20		78,361.51	
2016-09	Various General Capital Improvements	04/27/16	406,550.00	7,901.00				$ 5,500.00		$ 13,300.00	101.00	
2017-06	Various General Capital Improvements	02/23/17	3,394,000.00	36,333.09					3,574.15		32,758.94	
2017-14	Various Capital Improvements/Equipment	05/10/17	219,300.00	54,526.98					1,585.70	35,950.00	16,991.28	
2018-08/2019-10	Various Capital Improvements	05/09/18	3,912,000.00	15,023.17	142,857.00			26,148.00	171,142.81	10,035.36	2,850.00	
2018-11	Various Capital Improvements	05/30/18	417,050.00	112,710.87					32,610.22	11,790.00	68,310.65	
2019-09	Various Capital Improvements/Equipment	05/29/19	445,100.00	135,570.53				655.00	21,602.10	19,305.00	95,318.43	
2020-04	Construction of a Municipal Building and Municipal Complex Improvements	02/26/20	11,000,000.00	1,660,000.00				6,975,913.36	6,632,172.22	1,264,580.23	739,160.91	
2020-13	Various Capital Improvements	06/24/20	1,005,696.00	312,730.95					8,845.00	7,600.00	296,285.95	
2020-14	Various Roadway Improvements	06/24/20	1,600,000.00	229,103.96					1,565.00		227,538.96	
2021-11	Various Capital Improvements	05/12/21	115,100.00	66,992.14					12,457.94		54,534.20	
2021-12	Various Capital Improvements	05/12/21	1,389,000.00		587,124.15			288,789.63	367,916.26	214,923.74	293,073.78	
2022-04	Acquisition of Real Property	04/27/22	2,100,000.00			$ 100,000.00	$ 2,000,000.00				100,000.00	2,000,000.00
2022-06	Various Capital Improvements	05/11/22	165,701.00			165,701.00			58,950.19	54,997.25	51,753.56	
2022-07	Various Capital Improvements/Equipment	05/11/22	3,306,961.00			475,791.00	2,831,170.00		549,509.85	1,686,707.86	1,070,743.29	
				$ 2,818,708.40	$ 1,442,481.15	$ 741,492.00	$ 4,831,170.00	$ 7,297,005.99	$ 7,921,965.64	$ 3,319,189.44	$ 3,177,202.46	$ 2,712,500.00
		Ref.		C	C			C		C	C	C

Capital Improvement Fund	$ 368,892.00
New Jersey Department of Transportation Grants	140,000.00
Monmouth County Open Space Grant	232,600.00
	$ 741,492.00

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2021	C	$	79,453.00
Increased by:			
Budget Appropriation			400,000.00
			479,453.00
Decreased by:			
Appropriated to Fund Improvement Authorizations			368,892.00
Balance December 31, 2022	C	$	110,561.00

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF BONDS ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Maturities of Bonds Outstanding Dec. 31, 2022 Date	Amount	Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
Refunding Bonds	04/24/2012				$ 775,000.00		$ 775,000.00	$ -0-
MCIA General Obligation Bonds	12/24/2013	12/01/2023	$ 450,000.00	5.00%	3,485,000.00		430,000.00	3,055,000.00
		12/01/2024	470,000.00	5.00%				
		12/01/2025	495,000.00	5.00%				
		12/01/2026	520,000.00	5.00%				
		12/01/2027	545,000.00	5.00%				
		12/01/2028	575,000.00	5.00%				

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COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
(Continued)

Purpose	Date of Issue	Maturities of Bonds Outstanding Dec. 31, 2022 Date	Amount	Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
General Obligation Bonds	10/22/2020	11/15/2023	$ 640,000.00	4.00%	$ 22,120,000.00		$ 200,000.00	$ 21,920,000.00
		11/15/2024	655,000.00	4.00%				
		11/15/2025	675,000.00	4.00%				
		11/15/2026	685,000.00	4.00%				
		11/15/2027	700,000.00	4.00%				
		11/15/2028	725,000.00	3.00%				
		11/15/2029	925,000.00	3.00%				
		11/15/2030	950,000.00	3.00%				
		11/15/2031	950,000.00	3.00%				
		11/15/2032	975,000.00	2.00%				
		11/15/2033	975,000.00	2.00%				
		11/15/2034	975,000.00	2.00%				
		11/15/2035	1,000,000.00	2.00%				
		11/15/2036	1,025,000.00	2.00%				
		11/15/2037	1,065,000.00	2.00%				
		11/15/2038	1,100,000.00	2.13%				
		11/15/2039	1,125,000.00	2.13%				
		11/15/2040	1,125,000.00	2.13%				
		11/15/2041	1,125,000.00	2.25%				
		11/15/2042	1,125,000.00	2.25%				
		11/15/2043	1,125,000.00	2.38%				
		11/15/2044	1,125,000.00	2.50%				
		11/15/2045	1,150,000.00	2.50%				

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2 of 3

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
(Continued)

Purpose	Date of Issue	Maturities of Bonds Outstanding Dec. 31, 2022 Date	Amount	Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
MCIA General Obligation Bonds	12/22/2022	12/1/2023	$ 185,000.00	4.00%		$ 3,655,000.00		$ 3,655,000.00
		12/1/2024	195,000.00	4.00%				
		12/1/2025	210,000.00	4.00%				
		12/1/2026	260,000.00	4.00%				
		12/1/2027	285,000.00	4.00%				
		12/1/2028	300,000.00	3.00%				
		12/1/2029	370,000.00	3.00%				
		12/1/2030	370,000.00	3.00%				
		12/1/2031	370,000.00	3.00%				
		12/1/2032	370,000.00	2.00%				
		12/1/2033	370,000.00	2.00%				
		12/1/2034	370,000.00	2.00%				
					$ 26,380,000.00	$ 3,655,000.00	$ 1,405,000.00	$ 28,630,000.00
				Ref.	C			C

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE

	Ref.		
Balance December 31, 2021	C	$	2,770.54
Decreased by:			
Loan Payment by Budget Appropriation			2,770.54
Balance December 31, 2022	C	$	-0-

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY FINANCED PURCHASES PAYABLES

Purpose	Date of Issue	Maturities of Bonds Outstanding Dec. 31, 2022 Date	Amount	Interest Rate	Balance Dec. 31, 2021	Matured	Balance Dec. 31, 2022
MCIA Lease Purchase	10/1/2015	10/1/2023	$ 20,000.00	5.00%	$ 83,000.00	$ 20,000.00	$ 63,000.00
		10/1/2024	21,000.00	5.00%			
		10/1/2025	22,000.00	5.00%			
					$ 83,000.00	$ 20,000.00	$ 63,000.00
				Ref.	C		C

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Serial Bonds Issued	Funded by Reserve for Debt Service	Balance Dec. 31, 2022
2009-19	11/12/2009	Acquisition of Affordable Housing Units	$ 712,500.00				$ 712,500.00
2018-08/ 2019-10	05/09/18	Various Capital Improvements	142,857.00		$ 142,857.00		
2021-12	5/12/2021	Various Capital Improvements	1,098,050.00		1,098,050.00		
2022-04	4/27/2022	Acquisition of Real Property		$ 2,000,000.00			2,000,000.00
2022-07	5/11/2022	Various Capital Improvements/Equipment		2,831,170.00	2,414,093.00	$ 417,077.00	
			$ 1,953,407.00	$ 4,831,170.00	$ 3,655,000.00	$ 417,077.00	$ 2,712,500.00

COLTS NECK TOWNSHIP

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2022

COLTS NECK TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

Name of State Agency or Department	Name of Program	Assistance Listing Number	Grant Award Number	Grant Period From	Grant Period To	Grant Award Amount	Amount Received	Program Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
U.S. Department of Treasury (Pass Through New Jersey Department of Community Affairs)	COVID-19 - American Rescue Plan Act	21.027	100-022-8030-687-046010	3/3/2021	12/31/2024	$ 1,028,054.54	$ 514,027.27	$ 503,636.81	$ 503,636.81	
Total U.S. Department of Treasury							514,027.27	503,636.81	503,636.81	
Total Federal Awards							$ 514,027.27	$ 503,636.81	$ 503,636.81	$ -0-

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

COLTS NECK TOWNSHIP
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2022

Name of State Agency or Department	Name of Program	Program Account No.	Grant Award Amount	Grant Period From	Grant Period To	Receipts	Expenditures	Total Cumulative Expenditures
Department of Environmental Protection	Clean Communities Grant	765-042-4900-004-VCMC-6020	$ 34,947.23	1/1/2020	12/31/2022		$ 31,132.68	$ 34,947.23
			37,168.29	1/1/2021	12/31/2023		5,469.66	5,469.66
			36,930.74	1/1/2022	12/31/2023	$ 36,930.74		
						36,930.74	36,602.34	40,416.89
	Recycling Grant	752-042-4900-001-6020	36,555.24	1/1/2021	12/31/2022		10,131.67	36,555.24
			25,484.42	1/1/2022	12/31/2023	25,484.42	72.40	72.40
						25,484.42	10,204.07	36,627.64
Total Department of Environmental Protection						62,415.16	46,806.41	77,044.53
Department of Law and Public Safety:								
Division of Criminal Justice	Body Armor Grant Replacement	1020-718-066-YC5S	2,255.26	1/1/2021	12/31/2023	1,480.45	183.42	183.42
			2,057.80	1/1/2022	12/31/2023	2,057.80		
						3,538.25	183.42	183.42
	Drunk Driving Enforcement Fund Grant	4250-760-0500000-63	8,772.85	1/1/2018	12/31/2023		5,376.85	7,285.11
			4,265.46	1/1/2021	12/31/2023		3,018.60	3,018.60
							8,395.45	10,303.71
	Body Worn Camera Grant	1020-100-066-495-092120	61,140.00	1/1/2021	12/31/2023	61,140.00	13,430.00	13,430.00
						61,140.00	13,430.00	13,430.00
Total Department of Law and Public Safety						64,678.25	22,008.87	23,917.13
Department of the Treasury:	Municipal Alliance on Alcoholism	2000-475-995120-60	12,150.00	7/1/2020	6/30/2022	12,150.00	291.50	12,150.00
(Passed through the County of Monmouth)	and Drug Abuse		12,150.00	7/1/2021	6/30/2022	480.92	9,565.80	9,565.80
						12,630.92	9,857.30	21,715.80
Total Department of the Treasury						12,630.92	9,857.30	21,715.80
U.S. Department of Transportation								
(Pass Through N.J. Depatment of Transportation)	Highway Planning and Construction	078-6320-480-AO1	174,450.00	1/1/2022	12/31/2023	174,450.00	174,450.00	174,450.00
Total U.S. Department of Transportation						174,450.00	174,450.00	174,450.00
Total State Awards						$ 314,174.33	$ 253,122.58	$ 297,127.46

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

COLTS NECK TOWNSHIP
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2022

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of Colts Neck Township under programs of the federal and state governments for the year ended December 31, 2022. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

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Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members
of the Township Committee
Colts Neck Township
Colts Neck, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *Regulatory Basis* – of the various funds of Colts Neck Township, in the County of Monmouth (the "Township") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated May 22, 2023. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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 defining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

Our consideration of the 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 and therefore, material weakness or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

The Township's Response to the Finding

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

Purpose of this Report

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

May 22, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP

Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

COLTS NECK TOWNSHIP
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Township prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.

- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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 Standard*s. No material weaknesses are reported.

- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standard*s, were disclosed during the audit.

- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2022 as grant expenditures were less than the single audit thresholds of $750,000 identified in the Uniform Guidance and New Jersey OMB Circular 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

  Finding 2022-001:

  Segregation of Duties

  Criteria

  Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

  Condition

  The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, and permit and license fees; and recording of collections. The circumstance is not unusual in a municipality where there are a small number of individuals involved in this process. The Township has developed mitigating controls where possible at the staff level. Accordingly, management and the Township Committee should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

  Cause

  This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures.

COLTS NECK TOWNSHIP
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards: (Cont'd)

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards: (Cont'd)

  Finding 2022-001: (Cont'd)

  Effect or Potential Effect

  Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

  Management's Response

  The finding was evaluated by management and management believes adequate segregation of duties are in place. Management feels this comment is unwarranted and the Township's internal control policies are strong.

Findings and Questioned Costs for Federal Awards:

- Not applicable since Federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since State expenditures were below the single audit threshold.

COLTS NECK TOWNSHIP
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

The finding 2021-001 included in the December 31, 2021 audit report regarding segregation of duties has not been resolved due to budgetary constraints and is included as finding 2022-001 in the December 31, 2022 audit report.

COLTS NECK TOWNSHIP

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

COLTS NECK TOWNSHIP
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (36A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are $17,500 for a contracting unit without a qualified purchasing agent and $44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Colts Neck Township has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

COLTS NECK TOWNSHIP
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent. On January 2, 2022, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first $1,500.00 of delinquent taxes and 18% per annum for delinquent taxes in excess of $1,500.00. Interest to be waived on current taxes paid within the first 10 days after due dates. An additional penalty of 6% on delinquencies in excess of $10,000.00 at December 31.

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 14, 2022 and all eligible properties were included. Inspection of tax sale certificates revealed that tax sale certificates were available for audit.

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

Year	Number of Liens
2022	1
2021	1
2020	1

Verification of Delinquent Taxes and Other Charges

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

Type	Number Mailed
Payments of 2022 and 2023 Taxes	20
Delinquent Taxes Receivable	15
Tax Title Liens Receivable	1

COLTS NECK TOWNSHIP
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges (Cont'd)

Verification notices were mailed to confirm balances receivable as of December 31, 2022. The items that were returned were compared to, and are in agreement with, the Township's records. For receivable items not returned, alternative procedures were performed.

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township is currently in compliance with all three accounting requirements.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2022.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

AGENCY	Balance 12/31/2021	Cash Received	Cash Disbursed	Balance 12/31/2022
State of New Jersey	$ 4,898.20	$ 77,003.90	$ 75,519.49	$ 6,382.61
County of Monmouth	5,907.50	83,979.34	82,733.34	7,153.50
Municipal Fees	10,037.40	152,895.54	150,116.30	12,816.64
Conditional Dismissal	75.00		75.00	
Conditional Discharge		75.00	75.00	
Restitution		29.00	29.00	
Weights & Measures		600.00	600.00	
Fish and Game		300.00	200.00	100.00
Public Defender		600.00	600.00	
Bridge Commission		200.00	200.00	
Forest & Parks		250.00	250.00	
Solid Waste Control		3,000.00	3,000.00	
TOTAL	$ 20,918.10	$ 318,932.78	$ 313,398.13	$ 26,452.75

COLTS NECK TOWNSHIP
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, is effective for the year ended December 31, 2023. This statement addresses issues related to public-private and public-public partnership agreements (PPP's). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APA's). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset or a period of time.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA's), is effective for the year ended December 31, 2023. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor) information technology software, alone or in combination with tangible capital assets as specified in the related contract for a period of time. It is likely that a SBITA software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township's accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

Status of Prior Year Recommendations

Recommendation #1 included in the December 31, 2021 audit report regarding segregation of duties has not been resolved and is included in the December 31, 2022 audit report.

COLTS NECK TOWNSHIP
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties, where possible, be considered with respect to the recording and treasury functions.

* * * * * * * *