

Report of Audit

on the

Financial Statements

of the

Township of Cranford

in the

County of Union
New Jersey

for the

Year Ended
December 31, 2022

TOWNSHIP OF CRANFORD

I N D E X

PAGES

PART I

Independent Auditor's Report

1-4

EXHIBITS

Financial Statements - Regulatory Basis

Current Fund:

Balance Sheets - Regulatory Basis

"A"

Statements of Operations and Change in Fund Balance - Regulatory Basis

"A-1"

Statement of Revenues - Regulatory Basis - Year Ended December 31, 2022

"A-2"

Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2022

"A-3"

Trust Fund:

Balance Sheets - Regulatory Basis

"B"

General Capital Fund:

Balance Sheets - Regulatory Basis

"C"

Statement of Fund Balance - Regulatory Basis

"C-1"

Swim Pool Utility Fund:

Balance Sheets - Regulatory Basis

"D"

Statements of Operations and Change in Fund Balance - Regulatory Basis

"D-1"

Statement of Revenues - Regulatory Basis - Year Ended December 31, 2022

"D-2"

Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2022

"D-3"

General Fixed Asset Account Group:

Balance Sheets - Regulatory Basis

"F"

PAGES

Notes to Financial Statements

5-42

TOWNSHIP OF CRANFORD

INDEX (CONTINUED)

Supplementary Schedules

EXHIBITS

Current Fund:

Schedule of Cash-Collector-Treasurer	"A-4"
Schedule of Change Funds	"A-5"
Schedule of Encumbrances Payable	"A-6"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-7"
Schedule of Tax Title Liens	"A-8"
Schedule of Revenue Accounts Receivable	"A-9"
Schedule of Interfunds	"A-10"
Schedule of Special District Taxes	"A-11"
Schedule of Reserve Prepaid Sewer	"A-12"
Schedule of 2021 Appropriation Reserves	"A-13"
Schedule of County Taxes Payable	"A-14"
Schedule of Local District School Tax	"A-15"
Schedule of Due State of New Jersey Per Chapter 20, P.L.1971	"A-16"
Schedule of Prepaid Taxes	"A-17"
Schedule of Tax Overpayments	"A-18"
Schedule of Grants Receivable	"A-19"
Schedule of Reserve for Elevator Inspections	"A-20"
Schedule of Reserve for Maintenance of Free Public Library	"A-21"
Schedule of Reserve for Sale of Municipal Assets	"A-22"
Schedule of Reserve for Grants-Unappropriated	"A-23"
Schedule of Reserve for Grants-Appropriated	"A-24"
Schedule of Reserve for Tax Appeals	"A-25"
Schedule of Property Acquired for Taxes at Assessed Valuation	"A-26"
Schedule of Reserve for Outside Liens	"A-27"
Schedule of DCA Fees Due State of New Jersey	"A-28"
Schedule of Marriage Licenses Due State of New Jersey	"A-29"
Schedule of Sewer Charge Receivable	"A-30"
Schedule of Sewer Charge Liens Receivable	"A-31"
Schedule of Reserve for Library	"A-32"
Schedule of P.I.L.O.T. Fees Payable	"A-33"
Schedule of Reserve for Municipal Relief Aid-Unappropriated	"A-34"
Schedule of Deferred Charges	"A-35"

Trust Fund:

Schedule of Cash-Treasurer	"B-1"
Schedule of Due State of New Jersey - Animal Control Fund	"B-2"
Schedule of Reserve for Animal Control Fund Expenditures	"B-3"
Schedule of Community Development Block - Grants Receivable	"B-4"
Schedule of Community Development Block - Grants Reserve	"B-5"
Schedule of Reserve for District Management Corporation	"B-6"
Schedule of Interfunds – Trust Other Fund	"B-7"
Schedule of Reserve for Payroll Deductions	"B-8"
Schedule of Reserve for Miscellaneous Deposits	"B-9"

TOWNSHIP OF CRANFORD

INDEX (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Due from Cranford Board of Education	"C-4"
Schedule of Deferred Charges to Future Taxation-Funded	"C-5"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-6"
Schedule of Grants Receivable	"C-7"
Schedule of Improvement Authorizations	"C-8"
Schedule of Bond Anticipation Notes	"C-9"
Schedule of General Serial Bonds	"C-10"
Schedule of Capital Improvement Fund	"C-11"
Schedule of Green Trust Loans Payable	"C-12"
Schedule of Local Homeowners Receivable	"C-13"
Schedule of Contracts Payable	"C-14"
Schedule of Interfunds	"C-15"
Schedule of NJ Infrastructure Loans Payable	"C-16"
Schedule of Reserve for American Rescue Plan Recovery	"C-17"
Schedule of Reserve for Debt Service	"C-18"
Schedule of Reserve for Storm Damage	"C-19"
Schedule of Reserve for Homeowners Contributions	"C-20"
Schedule of Bonds and Notes Authorized but Not Issued	"C-21"

Swim Pool Utility Fund:

Schedule of Cash-Treasurer	"D-4"
Schedule of Swim Pool Utility Capital Cash	"D-5"
Schedule of Bond Anticipation Notes	"D-6"
Schedule of Change Fund	"D-7"
Schedule of Contracts Payable	"D-8"
Schedule of Fixed Capital Authorized and Uncompleted	"D-9"
Schedule of Fixed Capital	"D-10"
Schedule of Capital Improvement Fund	"D-11"
Schedule of 2021 Appropriation Reserves - Operating Fund	"D-12"
Schedule of Encumbrances Payable - Operating Fund	"D-13"
Schedule of Accrued Interest on Notes - Operating Fund	"D-14"
Schedule of Improvement Authorizations - Capital Fund	"D-15"
Schedule of Reserve for Amortization - Capital Fund	"D-16"
Schedule of Reserve for Deferred Amortization - Capital Fund	"D-17"
Schedule of Deferred Charges - Operating Fund	"D-18"
Schedule of Due Current Fund - Operating Fund	"D-19"
Schedule of Special Emergency Note Payable	"D-20"

TOWNSHIP OF CRANFORD

INDEX (CONTINUED)

	<u>PAGES</u>
<u>PART II</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	43-44
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Financial Assistance Program and on Internal Control over Compliance in Accordance with the Uniform Guidance	45-47
Schedule of Expenditures of Federal Awards Year Ended December 31, 2022	48
Notes to the Schedule of Expenditures of Federal Awards Year Ended December 31, 2022	49-50
Schedule of Findings and Questioned Costs for the Year Ended December 31, 2022	51-52
 <u>PART II</u>	
Statistical Data	53-56
Officials in Office and Surety Bonds	57
Comments and Recommendations	58-61

TOWNSHIP OF CRANFORD

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2022 AND 2021



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Cranford
County of Union
Cranford, New Jersey 07016

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Cranford (the "Township"), as of and for the year ended December 31, 2022 and 2021, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township 's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2022.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2022 and 2021, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

SUPLEE, CLOONEY & COMPANY

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed 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 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with, the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory 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*, Uniform Guidance 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.

SUPLEE, CLOONEY & COMPANY

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance 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 that collectively comprise the Township's regulatory financial statements. The supplementary information, schedule of expenditures of federal awards and data listed in the table of contents as required by the Division and the Uniform Guidance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

SUPLEE, CLOONEY & COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 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 Township's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

August 10, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

CURRENT FUND

TOWNSHIP OF CRANFORD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>ASSETS</u>			
Cash	A-4	\$ 11,414,018.75	\$ 13,258,446.55
Cash - Change Fund	A-5	1,130.00	1,130.00
Due State of New Jersey - Chapter 20, P.L.1971	A-16	1,666.44	1,069.18
Grants Receivable	A-19	166,036.52	149,074.82
		<u>\$ 11,582,851.71</u>	<u>\$ 13,409,720.55</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 713,719.05	\$ 468,059.39
Tax Title Liens Receivable	A-8	9,707.30	7,255.11
Delinquent Sewer Taxes Receivable	A-30	78,715.33	34,880.17
Sewer Charge Liens Receivable	A-31	9.44	9.44
Property Acquired for Taxes - Assessed Valuation	A-26	3,765,400.00	3,765,400.00
Revenue Accounts Receivable	A-9	19,771.91	14,652.72
Interfunds Receivable	A-10		29,292.03
	A	<u>\$ 4,587,323.03</u>	<u>\$ 4,319,548.86</u>
Deferred Charges:			
Emergency Appropriations	A-35	\$ _____	\$ 500,000.00
		<u>\$ _____</u>	<u>\$ 500,000.00</u>
		<u>\$ 16,170,174.74</u>	<u>\$ 18,229,269.41</u>

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

TOWNSHIP OF CRANFORD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 724,908.10	\$ 1,142,167.28
Prepaid Taxes	A-17	462,333.32	755,420.26
Encumbrances Payable	A-6	1,082,712.08	1,228,922.76
Interfunds Payable	A-10	67,500.00	
County Taxes Payable	A-14	155,387.69	197,198.75
Reserve For:			
Grants - Unappropriated	A-23	3,347.01	1,258,848.70
Grants - Appropriated	A-24	295,326.02	401,211.30
Municipal Relief Aid - Unappropriated	A-34	151,312.40	
DCA Fees Due State of New Jersey	A-28	12,276.00	12,574.00
Marriage Licenses Due State of New Jersey	A-29		850.00
Elevator Inspections	A-20	9,662.50	31,750.00
Sale of Municipal Assets	A-22	268,000.00	268,000.00
Tax Appeals	A-25	191,718.50	493,135.86
Prepaid Sewer Charges	A-12		1,352.54
Outside Liens	A-27	358.30	358.30
Maintenance of Free Public Library	A-21	11,066.32	23,502.11
Library	A-32	428,324.67	354,573.77
		\$ 3,864,232.91	\$ 6,169,865.63
Reserve for Receivables and Other Assets	A	4,587,323.03	4,319,548.86
Fund Balance	A-1	7,718,618.80	7,739,854.92
		\$ 16,170,174.74	\$ 18,229,269.41

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

TOWNSHIP OF CRANFORD

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2021
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 4,500,000.00	\$ 3,300,000.00
Miscellaneous Revenue Anticipated	A-2	12,530,874.35	9,326,650.23
Receipts from Delinquent Taxes	A-2	467,497.73	955,134.93
Receipts from Current Taxes	A-2	110,779,472.57	110,452,502.81
Non-Budget Revenue	A-2	1,532,880.79	418,141.62
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,267,807.64	2,784,292.88
Interfunds Returned		29,292.03	36,999.87
<u>Total Income</u>		<u>\$ 131,107,825.11</u>	<u>\$ 127,273,722.34</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 26,414,077.50	\$ 26,260,141.13
Deferred Charges and Statutory Expenditures	A-3	4,223,887.00	3,799,029.00
Operations Excluded From "CAPS":			
Operating	A-3	6,049,372.29	4,423,321.07
Capital Improvements	A-3	1,134,384.99	215,000.00
Municipal Debt Service	A-3	3,642,361.49	3,533,626.49
Deferred Charges	A-3	500,000.00	250,000.00
County Taxes	A-14	22,108,936.28	23,016,812.76
County Share of Added Taxes	A-14	155,387.69	197,198.75
Local District School Tax	A-15	62,221,969.00	61,498,245.00
Special District Tax	A-11	178,524.99	178,854.00
Refund of Prior Year's Revenue	A-4	160.00	
<u>Total Expenditures</u>		<u>\$ 126,629,061.23</u>	<u>\$ 123,372,228.20</u>
Excess in Revenue		\$ 4,478,763.88	\$ 3,901,494.14
Adjustments to Income Before Fund Balance:			
Expenditures Included above which are Deferred			
Charges to Budget of Succeeding Year			500,000.00
Regulatory Excess to Fund Balance		\$ 4,478,763.88	\$ 4,401,494.14
<u>Fund Balance</u>			
Balance, January 1	A	7,739,854.92	6,638,360.78
		<u>\$ 12,218,618.80</u>	<u>\$ 11,039,854.92</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	4,500,000.00	3,300,000.00
Fund Balance, December 31	A	<u>\$ 7,718,618.80</u>	<u>\$ 7,739,854.92</u>

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

TOWNSHIP OF CRANFORD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	REF.	ANTICIPATED BUDGET	SPECIAL NJS 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 4,500,000.00	\$	\$ 4,500,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 25,500.00	\$	\$ 25,506.00	\$ 6.00
Other	A-2	1,700.00		22,036.50	20,336.50
Fees and Permits:					
Construction Code Official	A-2	973,532.90		1,226,349.00	252,816.10
Other	A-2	137,195.00		284,394.18	147,199.18
Fines:					
Municipal Court	A-9	213,000.00		231,735.78	18,735.78
Interest and Cost on Taxes	A-9	272,300.00		142,454.17	(129,845.83)
Parking Meters and Permits	A-9	540,400.00		625,191.14	84,791.14
Interest on Investments and Deposits	A-9	2,200.00		78,705.01	76,505.01
Cable TV Franchise Tax	A-9	353,800.00		342,460.81	(11,339.19)
Energy Receipts Tax	A-9	2,900,712.00		2,900,712.00	
Clean Communities Program	A-19		45,883.86	45,883.86	
Recycling Tonnage Grant	A-19	17,657.57		17,657.57	
Youth Leadership Grant	A-19		3,646.00	3,646.00	
UC Public Art/Mural Grant	A-19		5,000.00	5,000.00	
Open Space Stewardship Grant	A-19		1,358.00	1,358.00	
National Opiod Settlement	A-19		14,064.73	14,064.73	
WJ Porter Community Tree Project	A-19		2,500.00	2,500.00	
American Rescue Plan Firefighter Grant	A-19		31,000.00	31,000.00	
Municipal Alliance	A-19	10,348.25	1,884.00	12,232.25	
State Body Armor Replacement Program	A-19	2,424.60		2,424.60	
U Drive U text u Pay	A-19		7,000.00	7,000.00	
Bulletproof Vest Partnership Grant	A-19		10,099.80	10,099.80	
County of Union - Greening Union County	A-19	2,500.00		2,500.00	
Union County Kids Recreation	A-19	60,000.00		60,000.00	
American Rescue Plan Act-Federal Aid Unappropriated	A-19	1,098,312.42		1,098,312.42	
General Capital Fund Balance	A-9	200,000.00		200,000.00	
Uniform Fire Safety Act	A-9	85,000.00		81,259.39	(3,740.61)
NJ Housing Finance Agency - P.I.L.O.T.	A-9	158,450.00		157,267.00	(1,183.00)
Cranford Lincoln Associates - P.I.L.O.T.	A-9	51,240.00		52,802.00	1,562.00
Birchwood - P.I.L.O.T.	A-9	451,000.00		213,955.56	(237,044.44)
Library Cost Allocation	A-9	30,000.00		30,000.00	
Developer Debt	A-9	122,000.00		166,693.50	44,693.50
Ambulance Fees	A-2	304,800.00		446,360.46	141,560.46
Hotel Tax	A-9	107,600.00		137,932.54	30,332.54
Sewer Flow Use Charge		2,322,000.00		2,228,468.67	(93,531.33)
American Rescue Plan Act-Federal Aid Unappropriated	A-9:A-23	1,419,384.99		1,419,384.98	(0.01)
Conservation Center Fees	A-9	138,800.00		159,596.00	20,796.00
Bulk Waste Fees	A-9	28,440.00			(28,440.00)
Cell Tower Lease	A-9	42,600.00		43,930.43	1,330.43
	A-1	\$ 12,072,897.73	\$ 122,436.39	\$ 12,530,874.35	\$ 335,540.23
Receipts from Delinquent Taxes	A-1	\$ 477,481.10	\$	\$ 467,497.73	\$ (9,983.37)
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 24,622,605.56	\$	\$ 25,938,347.61	\$ 1,315,742.05
Minimum Library Tax	A-2:A-7	1,616,307.00		1,616,307.00	
		26,238,912.56		27,554,654.61	1,315,742.05
<u>Budget Totals</u>		\$ 43,289,291.39	\$ 122,436.39	\$ 45,053,026.89	\$ 1,641,298.91
Non-Budget Revenue	A-1:A-2			1,532,880.79	1,532,880.79
		\$ 43,289,291.39	\$ 122,436.39	\$ 46,585,907.48	\$ 3,174,179.70
	REF.	A-3	A-3		

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

TOWNSHIP OF CRANFORD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-7	\$ 110,779,472.57
Allocated to:		
School and County Taxes		84,486,292.97
Special District Taxes		178,524.99
		\$ 26,114,654.61
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3	1,440,000.00
Amount for Support of Municipal Budget Appropriations	A-2	\$ 27,554,654.61
Receipts from Delinquent Taxes:		
Licenses - Other:		
Clerk	A-9	\$ 2,379.00
Board of Health	A-9	19,657.50
	A-2	\$ 22,036.50
Fees and Permits - Other:		
Board of Health	A-9	\$ 13,462.50
Engineer	A-9	11,783.00
Police	A-9	21,426.00
Recreation	A-9	11,915.00
Board of Adjustment	A-9	41,022.68
Planning Board	A-9	169,420.00
Fire Department	A-9	14,815.00
Assessor	A-9	550.00
	A-2	\$ 284,394.18
Uniform Construction Code Fees	A-9	\$ 1,228,207.00
Less: Refunds	A-4	1,858.00
	A-2	\$ 1,226,349.00
Ambulance Fees	A-9	\$ 448,701.97
Less: Refunds	A-4	2,341.51
	A-2	\$ 446,360.46
<u>Analysis of Non-Budget Revenues</u>		
Senior Citizen and Veterans Administration Fee		\$ 2,282.95
Union County Tonnage Rebate		35,052.60
Administrative Fee Police Outside Duty		137,913.19
PILOT Administrative Fees		16,740.97
Storm reimbursements		115,968.68
Insurance Claims		104,482.09
BOE Security Agreement		75,000.00
Tax Sale Premiums		64,600.00
Prior Year Reimbursements		903,689.93
Miscellaneous		77,150.38
	A-2:A-4	\$ 1,532,880.79

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	\$	\$	\$		\$
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	339,700.00	339,700.00	309,084.66	30,615.34	37,138.90
Other Expenses	319,750.00	294,750.00	257,611.10		
Channel 35:					
Salaries and Wages	98,000.00	98,000.00	84,930.02	13,069.98	
Other Expenses	43,500.00	43,500.00	36,174.73	7,325.27	
Elections:					
Other Expenses	20,000.00	20,000.00	20,000.00		
Township Committee:					
Salaries and Wages	15,000.00	15,000.00	13,046.00	1,954.00	
Other Expenses	28,000.00	28,000.00	23,966.43	4,033.57	
Township Clerk:					
Salaries and Wages	196,000.00	221,000.00	212,069.12	8,930.88	
Other Expenses	86,500.00	86,500.00	68,690.79	17,809.21	
Financial Administration:					
Salaries and Wages	409,000.00	409,000.00	378,595.51	30,404.49	
Other Expenses	106,000.00	86,000.00	71,507.02	14,492.98	
Audit	42,225.00	42,225.00	42,225.00		
Assessment of Taxes:					
Salaries and Wages	145,000.00	147,500.00	139,968.44	7,531.56	
Other Expenses	30,350.00	30,350.00	26,096.78	4,253.22	
Collection of Taxes:					
Salaries and Wages	123,000.00	123,000.00	122,380.96	619.04	
Other Expenses	41,233.00	41,233.00	35,100.75	6,132.25	
Legal Services and Costs:					
Other Expenses	500,000.00	500,000.00	491,433.12	8,566.88	
Insurance:					
General Liability	499,000.00	511,000.00	507,043.00	3,957.00	
Workers' Compensation	370,000.00	370,000.00	367,731.00	2,269.00	
Employee Group Health	4,001,602.00	4,006,602.00	4,003,056.07	3,545.93	
Group Insurance - Health Benefit Waiver	90,000.00	90,000.00	85,751.45	4,248.55	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT (CONTINUED)</u>					
Engineering Services and Costs:					
Salaries and Wages	\$ 30,000.00	\$ 30,000.00	\$ 11,610.00	\$ 18,390.00	\$
Other Expenses	157,800.00	202,800.00	202,560.36	239.64	
Public Buildings and Grounds:					
Other Expenses	527,700.00	545,700.00	522,302.94	23,397.06	
Municipal Land Use Law - Planning Board (N.J.S. 40:55D-1):					
Salaries and Wages	10,611.00	10,611.00	10,610.08	0.92	
Other Expenses	72,250.00	72,250.00	46,626.57	25,623.43	
Zoning Board of Adjustment:					
Salaries and Wages	10,403.00	12,903.00	10,610.34	2,292.66	
Other Expenses	27,050.00	27,050.00	21,407.34	5,642.66	
Zoning/Planning Board of Adjustment:					
Salaries and Wages	143,721.00	143,721.00	129,615.42	14,105.58	
Other Expenses	55,900.00	55,900.00	36,173.56	19,726.44	
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	6,159,177.00	6,279,177.00	6,262,379.34	16,797.66	
Salaries and Wages-American Rescue Plan Act	500,000.00	500,000.00	500,000.00		
Other Expenses	377,500.00	377,500.00	367,141.79	10,358.21	
Fire:					
Salaries and Wages	3,685,284.50	3,815,284.50	3,804,638.46	10,646.04	
Other Expenses	570,000.00	585,000.00	567,922.91	17,077.09	
Uniform Fire Safety Act:					
Other Expenses	85,000.00	85,000.00	83,652.83	1,347.17	
Emergency Management Services:					
Salaries and Wages	265,000.00	265,000.00	259,465.64	5,534.36	
Other Expenses	59,000.00	59,000.00	50,906.68	8,093.32	
Emergency Management:					
Other Expenses	15,000.00	15,000.00	14,896.24	103.76	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
STREETS AND ROADS					
Road Repairs and Maintenance:					
Salaries and Wages	\$ 1,848,500.00	\$ 1,796,500.00	\$ 1,756,184.52	\$ 40,315.48	\$ 13,608.98
Other Expenses	404,450.00	404,450.00	390,841.02		
Communications:					
Other Expenses	151,133.00	151,133.00	146,753.10	4,379.90	
Conservation Center:					
Salaries and Wages	45,000.00	45,000.00	20,862.00	24,138.00	
Other Expenses	160,840.00	160,840.00	139,302.64	21,537.36	
Recycling:					
Other Expenses	516,400.00	516,600.00	516,600.00		
HEALTH AND WELFARE (BOARD OF HEALTH - LOCAL HEALTH AGENCY)					
Board of Health:					
Salaries and Wages	144,025.00	131,525.00	126,635.45	4,889.55	
Other Expenses	143,800.00	156,300.00	155,931.39	368.61	
Environmental Commission:					
Other Expenses	3,500.00	3,500.00	1,799.76	1,700.24	
Animal Control:					
Other Expenses	52,200.00	52,200.00	49,200.00	3,000.00	
RECREATION AND EDUCATION					
Recreation:					
Salaries and Wages	204,072.00	204,072.00	193,497.45	10,574.55	
Salaries and Wages - Youth Services	39,160.00	41,660.00	38,111.29	3,548.71	
Other Expenses	28,000.00	28,000.00	27,207.82	792.18	
Celebration of Public Events:					
Other Expenses	10,000.00	10,000.00	5,846.10	4,153.90	
Senior Citizens' Bus Transportation Program:					
Salaries and Wages	36,956.00	36,956.00	36,281.00	675.00	
Other Expenses	4,000.00	4,000.00	3,500.00	500.00	
Municipal Court:					
Salaries and Wages	252,935.00	252,935.00	247,482.20	5,452.80	
Other Expenses	20,150.00	20,150.00	14,842.56	5,307.44	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>STATE UNIFORM CONSTRUCTION CODE</u> <u>(N.J.S.A. 52:270-120 ET. SEQ.)</u>					
Construction Official:					
Salaries and Wages	\$ 602,000.00	\$ 602,000.00	\$ 588,591.60	\$ 33,408.40	\$
Other Expenses	81,000.00	81,000.00	75,525.74	5,474.26	
<u>UNCLASSIFIED:</u>					
Salary Adjustment	290,000.00				
Accumulated Absences	5,000.00	5,000.00	5,000.00		
<u>UTILITIES:</u>					
Motor Oils and Fuels:					
Other Expenses	225,000.00	275,000.00	258,634.37	16,365.63	
Street Lighting:					
Other Expenses	275,000.00	275,000.00	258,006.56	16,993.44	
Utilities - All	575,000.00	575,000.00	539,135.99	35,864.01	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>26,373,377.50</u>	<u>26,414,077.50</u>	<u>25,774,755.01</u>	<u>639,322.49</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-</u> <u>MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employee's Retirement System	825,317.00	825,317.00	825,317.00		
Social Security System	575,000.00	534,300.00	488,468.95	45,831.05	
Police and Firemen's Retirement System	2,844,270.00	2,844,270.00	2,844,270.00		
Defined Contribution Retirement Program	20,000.00	20,000.00	15,902.17	4,097.83	
<u>TOTAL DEFERRED CHARGES AND STATUTORY</u> <u>EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>4,264,587.00</u>	<u>4,223,887.00</u>	<u>4,173,958.12</u>	<u>49,928.88</u>	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 30,637,964.50	\$ 30,637,964.50	\$ 29,948,713.13	\$ 689,251.37	\$
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Railway Valley Sewerage Authority:					
Operating Expenses	2,724,799.00	2,724,799.00	2,724,779.00	20.00	
Maintenance Free Public Library	1,616,307.00	1,616,307.00	1,601,688.45	14,618.55	
Other Expenses					
Communications - 911:	384,000.00	384,000.00	362,981.82	21,018.18	
Salaries and Wages	8,000.00	8,000.00	8,000.00		
LOSAP					
<u>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u>					
Other Expenses	2,500.00	2,500.00	2,500.00		
Clean Communities Program (N.J.S.A. 40A:4-87 \$45,883.86)	45,883.86	45,883.86	45,883.86		
Recycling Tonnage Grant	17,657.57	17,657.57	17,657.57		
Federal Bulletproof Partnership (N.J.S.A. 40A:4-87 \$10,099.80)	10,099.80	10,099.80	10,099.80		
Union County Kids Recreation	60,000.00	60,000.00	60,000.00		
Municipal Alliance	10,348.25	12,232.25	12,232.25		
Municipal Alliance - Match	2,587.06	2,587.06	2,587.06		
State Body Armor Replacement Program	2,424.60	2,424.60	2,424.60		
American Rescue Plan Act: Swim Pool Operations	1,098,312.42	1,098,312.42	1,098,312.42		
Distracted Driving-U DRIVE U TEXT U PAY (N.J.S.A. 40A:4-87 \$7,000.00)		7,000.00	7,000.00		
Youth Leadership Grant (N.J.S.A. 40A:4-87 \$3,646.00)		3,646.00	3,646.00		
UC Public Art/Mural Grant (N.J.S.A. 40A:4-87 \$5,000.00)		5,000.00	5,000.00		
Open Space Stewardship Grant (N.J.S.A. 40A:4-87 \$1,358.00)		1,358.00	1,358.00		
National Opiod Settlement (N.J.S.A. 40A:4-87 \$14,064.73)		14,064.73	14,064.73		
WJ Porter Community Tree Project (N.J.S.A. 40A:4-87 \$2,500.00)		2,500.00	2,500.00		
American Rescue Plan Firefighter Grant (N.J.S.A. 40A:4-87 \$31,000.00)		31,000.00	31,000.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	5,926,935.90	6,049,372.29	6,013,715.56	35,656.73	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
American Rescue Plan Act: Drainage & Curbing Projects	\$ 919,384.99	\$ 919,384.99	\$ 919,384.99	\$	
Capital Improvement Fund	215,000.00	215,000.00	215,000.00		
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	1,134,384.99	1,134,384.99	1,134,384.99		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,760,000.00	1,760,000.00	1,760,000.00		
Payment of Bond Anticipation Notes and Capital Notes	661,014.00	661,014.00	661,014.00		
Interest on Bonds	515,000.00	515,000.00	511,491.75		3,508.25
Interest on Notes	114,000.00	114,000.00	111,914.16		2,085.84
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	13,992.00	13,992.00	13,991.22		0.78
NJ Infrastructure Loan Program					
Loan Repayments for Principal and Interest	586,000.00	586,000.00	583,950.36		2,049.64
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	3,650,006.00	3,650,006.00	3,642,361.49		7,644.51
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Deferred Charges to Future Taxation Unfunded - Ordinance 01-38/03-27	500,000.00	500,000.00	500,000.00		
TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"	500,000.00	500,000.00	500,000.00		

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL	\$ 11,211,326.89	\$ 11,333,763.28	\$ 11,290,462.04	\$ 35,656.73	\$ 7,644.51
SUB-TOTAL GENERAL APPROPRIATIONS	41,849,291.39	41,971,727.78	41,239,175.17	724,908.10	7,644.51
RESERVE FOR UNCOLLECTED TAXES	1,440,000.00	1,440,000.00	1,440,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 43,289,291.39	\$ 43,411,727.78	\$ 42,679,175.17	\$ 724,908.10	\$ 7,644.51
REF.	A-2		A-1	A.A-1	
Budget Appropriations		\$ 43,289,291.39			
Appropriation by 40A:4-87		122,436.39			
		\$ 43,411,727.78			
Encumbrances Payable	A-6		\$ 946,881.49		
Reserve for Uncollected Taxes	A-2		1,440,000.00		
Reserve for Grants-Appropriated	A-24		1,316,266.29		
Deferred Charges	A-35		500,000.00		
Cash Disbursements	A-4		39,622,078.56		
			\$ 43,825,226.34		
Less: Refunds	A-4		1,146,051.17		
			\$ 42,679,175.17		

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

THIS PAGE INTENTIONALLY LEFT BLANK

TRUST FUND

"B"

TOWNSHIP OF CRANFORD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 33,049.12	\$ 13,626.24
		<u>\$ 33,049.12</u>	<u>\$ 13,626.24</u>
Other Funds:			
Cash	B-1	\$ 2,843,471.84	\$ 2,905,326.16
Community Development Block Grants Receivable	B-4	17,250.00	17,250.00
		<u>\$ 2,860,721.84</u>	<u>\$ 2,922,576.16</u>
		<u>\$ 2,893,770.96</u>	<u>\$ 2,936,202.40</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Expenditures	B-3	\$ 32,577.52	\$ 13,160.64
Due State of New Jersey	B-2	471.60	465.60
		<u>\$ 33,049.12</u>	<u>\$ 13,626.24</u>
Other Funds:			
Reserve for:			
Miscellaneous Reserves	B-9	\$ 2,668,669.11	\$ 2,745,527.15
Payroll Deductions Payable	B-8	165,343.66	153,183.44
District Management Corporation	B-6	9,459.07	6,615.57
Community Development Block Grant	B-5	17,250.00	17,250.00
		<u>\$ 2,860,721.84</u>	<u>\$ 2,922,576.16</u>
		<u>\$ 2,893,770.96</u>	<u>\$ 2,936,202.40</u>

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>ASSETS</u>			
Cash	C-2	\$ 2,872,330.96	\$ 4,380,051.02
Deferred Charges to Future Taxation:			
Funded	C-5	23,709,740.94	25,976,176.73
Unfunded	C-6	29,530,412.29	26,196,926.29
Grants Receivable	C-7	2,767,072.50	2,554,322.50
Local Homeowners Receivable	C-13	78,219.84	135,756.51
Due From Cranford Board of Education	C-4	768,008.00	24,153.00
Interfunds Receivable	C-15	67,500.00	
		<u>\$ 59,793,284.53</u>	<u>\$ 59,267,386.05</u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds	C-10	\$ 19,778,000.00	\$ 21,538,000.00
Bond Anticipation Notes	C-9	22,753,452.00	18,206,589.00
Green Trust Loans Payable	C-12	59,924.48	72,527.84
NJ Infrastructure Loan Payable	C-16	3,871,816.46	4,365,648.89
Reserve for:			
Homeowners Contributions	C-20	134,723.27	
Storm Damage	C-19		60,872.46
Improvement Authorizations:			
Funded	C-8	1,065,769.38	2,312,027.64
Unfunded	C-8	6,784,287.28	7,433,618.24
Contracts Payable	C-14	4,863,470.66	5,055,273.26
Capital Improvement Fund	C-11	23,277.00	13,749.00
Reserve for Debt Service	C-18	6,063.66	6,062.67
Fund Balance	C-1	452,500.34	203,017.05
		<u>\$ 59,793,284.53</u>	<u>\$ 59,267,386.05</u>

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

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	203,017.05
Increased by:			
Premium on Sale of Notes	C-2	\$	79,520.46
Improvement Authorizations Cancelled	C-8		<u>369,962.83</u>
			<u>449,483.29</u>
		\$	<u>652,500.34</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>200,000.00</u>
			<u>200,000.00</u>
Balance, December 31, 2022	C	\$	<u><u>452,500.34</u></u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

SWIM POOL UTILITY FUND

"D"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

			BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
ASSETS	REF.			
Operating Fund:				
Cash	D-4	\$	652,191.23	\$ 845,793.86
Cash - Change Fund	D-7		150.00	150.00
			<u>652,341.23</u>	<u>845,943.86</u>
Special Emergency-COVID	D-18			<u>1,098,312.42</u>
				<u>1,098,312.42</u>
<u>Total Operating Fund</u>		\$	<u>652,341.23</u>	\$ <u>1,944,256.28</u>
Capital Fund:				
Cash	D-4	\$	76,643.29	\$ 127,478.75
Fixed Capital	D-10		5,467,928.34	5,467,928.34
Fixed Capital Authorized and Uncompleted	D-9		<u>1,500,000.00</u>	<u>1,500,000.00</u>
<u>Total Capital Fund</u>		\$	<u>7,044,571.63</u>	\$ <u>7,095,407.09</u>
		\$	<u>7,696,912.86</u>	\$ <u>9,039,663.37</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Operating Fund:				
Liabilities:				
Appropriation Reserves	D-3:D-12	\$	90,247.42	\$ 95,611.59
Encumbrances Payable	D-13		42,806.39	41,702.33
Special Emergency Note Payable	D-20			1,098,000.00
Due Current Fund	D-19			29,292.03
Accrued Interest on Notes	D-14		<u>19,289.47</u>	<u>14,787.46</u>
		\$	<u>152,343.28</u>	\$ <u>1,279,393.41</u>
Fund Balance	D-1		<u>499,997.95</u>	<u>664,862.87</u>
<u>Total Operating Fund</u>		\$	<u>652,341.23</u>	\$ <u>1,944,256.28</u>
Capital Fund:				
Bond Anticipation Notes	D-6	\$	1,146,548.00	\$ 1,193,411.00
Improvement Authorizations:				
Unfunded	D-15		18,505.76	95,067.45
Capital Improvement Fund	D-11		6,840.00	6,840.00
Contracts Payable	D-8		51,297.53	25,571.30
Reserve for Deferred Amortization	D-17		847,452.00	800,589.00
Reserve for Amortization	D-16		<u>4,973,928.34</u>	<u>4,973,928.34</u>
<u>Total Capital Fund</u>		\$	<u>7,044,571.63</u>	\$ <u>7,095,407.09</u>
		\$	<u>7,696,912.86</u>	\$ <u>9,039,663.37</u>

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

"D-1"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1	\$ 550,679.00	\$
Membership Fees	D-2	\$ 1,190,677.09	\$ 974,250.84
Miscellaneous	D-2	257,189.91	180,113.98
American Recue Plan Act	D-2	1,098,312.42	
Non-Budget Revenue	D-2:D-4	2,000.00	15,601.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>90,947.08</u>	<u>748,286.01</u>
<u>TOTAL INCOME</u>		<u>\$ 3,189,805.50</u>	<u>\$ 1,918,251.96</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-3	\$ 1,555,316.00	\$ 1,114,419.00
Municipal Debt Service	D-3	69,524.56	70,487.41
Deferred Charges and Statutory Expenditures	D-3	<u>1,179,150.86</u>	<u>70,000.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 2,803,991.42</u>	<u>\$ 1,254,906.41</u>
Excess in Revenue		\$ 385,814.08	\$ 663,345.55
<u>Fund Balance</u>			
Balance, January 1	D	<u>664,862.87</u>	<u>1,517.32</u>
		\$ 1,050,676.95	\$ 664,862.87
Decreased by:			
Utilization by Swim Pool Operating Budget	D-1	\$ <u>550,679.00</u>	\$
Balance, December 31	D	<u>\$ 499,997.95</u>	<u>\$ 664,862.87</u>

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

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Anticipated	D-1	550,679.00	550,679.00	
Membership Fees	D-1:D-4	\$ 975,000.00	\$ 1,190,677.09	\$ 215,677.09
Miscellaneous	D-1:D-4	180,000.00	257,189.91	77,189.91
American Rescue Plan Act	D-1:D-4	1,098,312.42	1,098,312.42	
Miscellaneous Revenue Not Anticipated	D-1:D-4	<u> </u>	<u>2,000.00</u>	<u>2,000.00</u>
	D-3	\$ <u>2,803,991.42</u>	\$ <u>3,098,858.42</u>	\$ <u>294,867.00</u>

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

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

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

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages-American Rescue Plan Act	\$ 962,754.00 \$	962,754.00 \$	916,197.67 \$	46,556.33
Other Expenses-American Rescue Plan Act	135,558.42	135,558.42	135,558.42	
Other Expenses	457,003.58	457,003.58	424,935.36	32,068.22
<u>Total Operating</u>	<u>\$ 1,555,316.00 \$</u>	<u>1,555,316.00 \$</u>	<u>1,476,691.45 \$</u>	<u>78,624.55</u>
Debt Service:				
Payment of Notes	\$ 46,863.00 \$	46,863.00 \$	46,863.00 \$	
Interest on Notes	18,500.00	22,661.56	22,661.56	
	<u>\$ 65,363.00 \$</u>	<u>69,524.56</u>	<u>69,524.56 \$</u>	
Deferred Charges:				
Special Emergency - Covid 19	\$ 1,098,312.42 \$	1,098,312.42 \$	1,098,312.42 \$	
Statutory Expenditures:				
Contributions to:				
Social Security System	\$ 85,000.00 \$	80,838.44 \$	69,215.57 \$	11,622.87
	<u>\$ 85,000.00 \$</u>	<u>80,838.44 \$</u>	<u>69,215.57 \$</u>	<u>11,622.87</u>
	<u>\$ _____ \$</u>	<u>\$ _____</u>	<u>\$ _____</u>	
Deficit in Operations	<u>\$ 2,803,991.42 \$</u>	<u>2,803,991.42 \$</u>	<u>2,713,744.00 \$</u>	<u>90,247.42</u>
REF.	D-2		D-1	D-D-1
Cash Disbursements				
Encumbrances Payable		\$	1,568,358.18	
Deficit in Operations			42,806.39	
Deferred Charges			1,098,312.42	
Accrued Interest on Notes			4,502.01	
			<u>2,713,979.00</u>	
Less: Refunds			235.00	
			<u>\$ 2,713,744.00</u>	

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

THIS PAGE INTENTIONALLY LEFT BLANK

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF CRANFORD

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2021</u>
General Fixed Assets:		
Land	\$ 39,249,984.00	\$ 39,249,984.00
Buildings	26,291,200.00	26,291,200.00
Machinery and Equipment	<u>14,559,672.34</u>	<u>13,500,084.87</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 80,100,856.34</u>	<u>\$ 79,041,268.87</u>
Investment in General Fixed Assets:	<u>\$ 80,100,856.34</u>	<u>\$ 79,041,268.87</u>
	<u>\$ 80,100,856.34</u>	<u>\$ 79,041,268.87</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF CRANFORD

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Cranford is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Except as noted below, the financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the local school district, first aid organization, volunteer fire organization or library, inasmuch as their activities are administered by a separate board.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Township of Cranford conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Cranford are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

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

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

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

Swim Pool Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Swim Pool Utility.

General Fixed Asset Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31st, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

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. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General Fixed Assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an outside appraiser. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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

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

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 is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Swim Pool Utility - Accounting for utility fund "fixed capital" remains uncharged under the requirements of NJAC 5:30-5.6.

Property and equipment purchased by the Swim Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

The New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2022 for PFRS was not available, therefore the information dated June 30, 2021 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

The New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2022 was not available, therefore the information dated June 30, 2021 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right -to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, and Certificates of Deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township of Cranford had the following cash and cash equivalents at December 31, 2022:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$11,581,923.65	\$68,052.71	\$235,957.61	\$11,414,018.75
Animal Control Trust Fund	33,085.12	54.00	90.00	33,049.12
Other Trust Fund	2,866,541.49	\$10,322.56	33,392.21	2,843,471.84
General Capital Fund	2,894,183.46		21,852.50	2,872,330.96
Swim Pool Utility:				
Operating	659,045.77	420.00	7,124.54	652,341.23
Capital	<u>76,643.29</u>			<u>76,643.29</u>
	<u>\$18,111,422.78</u>	<u>\$78,849.27</u>	<u>\$298,416.86</u>	<u>\$17,891,855.19</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2022, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$401,483.91 was covered by Federal Depository Insurance, \$17,709,938.87 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express Township of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
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;
 - 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. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Cranford's investment activities during the year were in accordance with the above New Jersey Statute. As of December 31, 2022, the Township had no investment in any securities as described above. Based upon the limitation set forth by New Jersey Statute 40A:5-15.1, the Township is generally not exposed to credit risky custodial risks, concentration of credit risks, and internal note risks for its investments nor is it exposed to foreign currency for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years of financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2022</u>	<u>YEAR 2021</u>	<u>YEAR 2020</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 46,463,192.94	\$ 44,182,765.73	\$ 46,278,616.68
Swim Pool Utility:			
Bonds and Notes	<u>1,146,548.00</u>	<u>1,193,411.00</u>	<u>1,240,274.00</u>
Net Debt Issued	<u>47,609,740.94</u>	<u>45,376,176.73</u>	<u>47,518,890.68</u>
Less: Reserve for Debt Service	6,063.66	6,062.67	6,062.67
Less: Cash on Hand to Pay Notes	<u>90,000.59</u>	<u>45,000.59</u>	<u>162,743.59</u>
	\$ <u>47,513,676.69</u>	\$ <u>45,325,113.47</u>	\$ <u>47,350,084.42</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>6,866,960.88</u>	<u>8,035,337.88</u>	<u>4,946,817.73</u>
Total Authorized but not Issued	<u>6,866,960.88</u>	<u>8,035,337.88</u>	<u>4,946,817.73</u>
Net Bonds and Notes Issued and and Authorized but not issued	\$ <u>54,380,637.57</u>	\$ <u>53,360,451.35</u>	\$ <u>52,296,902.15</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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 1.086%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 4,932,000.00	\$ 4,932,000.00	\$ -0-
Utility Debt	1,146,548.00	1,146,548.00	-0-
General Debt	<u>53,330,153.82</u>	<u>96,064.25</u>	<u>53,234,089.57</u>
	<u>\$ 59,408,701.82</u>	<u>\$ 6,174,612.25</u>	<u>\$ 53,234,089.57</u>

NET DEBT \$53,234,089.57 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$4,903,518,764.33 EQUALS 1.086%.

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

Equalized Valuation Basis* - December 31, 2022	\$4,903,518,764.33
3-1/2 of Equalized Valuation Basis	171,623,156.75
Net Debt	<u>53,234,089.57</u>
Remaining Borrowing Power	<u>\$118,389,067.18</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township of Cranford for the last three (3) preceding years.

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

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year		\$ 2,000,546.00
Deductions:		
Operating and Maintenance Cost	\$ 1,636,154.44	
Debt Service	<u>69,524.56</u>	
Total Deductions		<u>1,705,679.00</u>
Excess in Revenue		<u>\$ 294,867.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

General Serial Bonds:

	OUTSTANDING BALANCE DECEMBER <u>31, 2022</u>
\$1,603,000.00 in General Improvement Bonds dated August 15, 2006, due in remaining annual installments ranging between \$45,000.00 and \$123,000.00 beginning August 15, 2023 and ending August 15, 2037 with interest ranging between 6.25% and 6.30%	\$1,223,000.00
\$9,700,000.00 in General Improvement Bonds dated January 15, 2018, due in remaining annual installments of \$970,000.00 beginning August 15, 2023 and ending August 15, 2028 with interest ranging between 2.00% and 3.00%	\$5,820,000.00
\$4,870,000.00 in Refunding Bonds dated May 24, 2018, due in remaining annual installments ranging between \$165,000.00 and \$415,000.00 beginning August 15, 2023 and ending August 15, 2037 with interest at 4.00%	\$4,235,000.00
\$9,700,000.00 in General Improvement Bonds dated May 1, 2021, due in remaining annual installments ranging between \$650,000.00 and \$1,000,000.00 beginning November 1, 2023 and ending November 1, 2032 with interest ranging between 1.00% and 2.00%	<u>\$8,500,000.00</u>
	<u><u>\$19,778,000.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2022

CALENDAR	<u>GENERAL CAPITAL</u>		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$1,835,000.00	\$477,479.00	\$2,312,479.00
2024	1,915,000.00	441,854.00	2,356,854.00
2025	1,980,000.00	404,529.00	2,384,529.00
2026	2,045,000.00	365,991.50	2,410,991.50
2027	2,060,000.00	325,029.00	2,385,029.00
2028-2032	7,555,000.00	1,063,945.00	8,618,945.00
2033-2037	<u>2,388,000.00</u>	<u>348,760.50</u>	<u>2,736,760.50</u>
	<u>\$19,778,000.00</u>	<u>\$3,427,588.00</u>	<u>\$23,205,588.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR GREEN LOAN TRUST PAYABLE DECEMBER 31, 2022

CALENDAR	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
<u>YEAR</u>			
2023	\$12,856.68	\$1,134.53	\$13,991.21
2024	13,115.11	876.11	13,991.22
2025	13,378.72	612.50	13,991.22
2026	13,647.64	343.58	13,991.22
2027	<u>6,926.34</u>	<u>69.27</u>	<u>6,995.61</u>
	<u>\$59,924.49</u>	<u>\$3,035.99</u>	<u>\$62,960.48</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR INFRASTRUCTURE LOAN PAYABLE DECEMBER 31, 2022

CALENDAR YEAR	TOTAL	TRUST LOAN		FUND LOAN
		PRINCIPAL	INTEREST	PRINCIPAL
2023	\$600,263.19	\$242,761.80	\$62,572.44	\$294,928.95
2024	532,852.29	251,411.06	52,977.72	228,463.51
2025	335,784.71	191,139.84	39,974.70	104,670.17
2026	158,119.67	29,072.00	24,377.50	104,670.17
2027	157,369.73	29,490.00	23,209.56	104,670.17
2028-2032	636,037.60	131,361.00	96,177.50	408,499.10
2033-2037	511,444.35	105,000.00	72,055.30	334,389.05
2038-2042	514,944.35	125,000.00	55,555.30	334,389.05
2043-2047	511,119.37	135,000.00	41,730.32	334,389.05
2048-2051	404,555.78	115,000.00	22,044.24	267,511.54
	<u>\$4,362,491.04</u>	<u>\$1,355,235.70</u>	<u>\$490,674.58</u>	<u>\$2,516,580.76</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2022, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$6,866,960.88

SHORT TERM DEBT

BOND ANTICIPATION NOTES

	Interest Rate	Maturity Dates	Amount
General Capital Fund	2.67%	6/23/2023	\$8,553,452.00
General Capital Fund	4.75%	7/20/2023	9,700,000.00
General Capital Fund	4.50%	8/22/2023	4,500,000.00
Swim Pool Utility Capital Fund	2.67%	6/23/2023	<u>1,146,548.00</u>
			<u>\$23,900,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023 were as follows:

Current Fund	\$4,981,000.00
Swim Pool Utility Fund	\$149,201.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2021</u>
Prepaid Taxes	<u>\$462,333.32</u>	<u>\$755,420.26</u>

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 6: PENSION PLANS

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2022, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2022, the State contributed an amount less than the actuarially determined amount. During 2022, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$3,669,587.00 for 2022, \$3,240,029.00 for 2021 and \$3,016,458.12 for 2020.

NOTE 6: PENSION PLANS (CONTINUED)

Certain Township employees are also covered by the Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2022

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$10,363,539.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Township's proportion was 0.0686719288 percent, which was a decrease of 0.0018007521 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$904,274.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2022 billing was \$825,317.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 74,799.00	\$ 65,962.00
Changes of assumptions	32,110.00	1,551,832.00
Net difference between projected and actual earnings on pension plan investments	428,938.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>295,022.00</u>	<u>834,133.00</u>
	\$ <u>830,869.00</u>	\$ <u>2,451,927.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$996,796.20)
2024	(560,724.20)
2025	(328,694.20)
2026	374,035.80
2027	<u>(108,879.20)</u>
	<u>(\$1,621,058.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	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 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Township's proportionate share of net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the collective net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$13,314,112.00	\$10,363,539.00	\$7,852,483.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The amounts contributed by the State on behalf of the Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of December 31, 2022 was 0.0730195148%, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$21,805.00.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2022, for PFRS was not available, therefore the information dated June 30, 2021 is disclosed.

At June 30, 2021, the State reported a net pension liability of \$17,837,699.00 for the Township's proportionate share of the total PFRS net pension liability. 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. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2021, the Township's proportion was 0.2440460800 percent, which was an increase of 0.0217901922 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$1,780,656.00. The pension expense recognized in the Township's financial statements based on the April 1, 2021 billing was \$2,482,978.00.

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 203,507.00	\$ 2,136,772.00
Changes of assumptions	94,916.00	5,345,876.00
Net difference between projected and actual earnings on pension plan investments		7,601,224.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>4,023,505.00</u>	<u>1,554,999.00</u>
	\$ <u><u>4,321,928.00</u></u>	\$ <u><u>16,638,871.00</u></u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>		<u>Amount</u>
2022	\$	(4,239,685.80)
2023		(3,059,384.80)
2024		(2,555,095.80)
2025		(2,512,782.80)
2026		114,475.20
Thereafter		<u>(64,469.00)</u>
	\$	<u>(12,316,943.00)</u>

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 rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

	<u>June 30, 2021</u>
Inflation:	
Price	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.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2021 and June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	3.00%	9.15%
Real Assets	8.00%	7.40%
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. Treasury's	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2021 and June 30, 2020, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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 Township's proportionate share of the net pension liability to changes in the discount rate

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

	June 30, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the PFRS pension liability	\$27,085,988.00	\$17,837,699.00	\$10,139,497.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

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

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2021 and 2020 is 0.2440459860% and 0.2222558878% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2021 and 2020 was \$435,810.00 and \$324,960.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2021 and 2020 was \$558,731.00 and \$505,108.00, respectively.

At June 30, 2021 and 2020, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$5,016,849.00 and \$4,456,964.00, respectively.

At June 30, 2021, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$17,837,699.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>5,016,849.00</u>
	<u>\$22,854,548.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: COMPENSATED ABSENCES

Under the terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but is estimated by the Township to be \$1,422,977.33. The Township appropriates annually the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at December 31, 2022. The Township has \$15,000.00 reserved in the Trust Other Fund to provide for costs at December 31, 2022.

NOTE 8: LITIGATION

The Township is involved in pending legal proceedings. The impact of these proceedings on the financial statements, in the opinion of the Township's legal counsel could potentially be material should there be an unfavorable outcome for the Township. These cases have are still in discovery and no liability has been accrued or recognized in the financial statements.

NOTE 9: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the year 2022. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Township has reserved \$191,718.50 to provide for tax appeals.

NOTE 10: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The state and federal grants received and expended in 2022 were subject to the Single Audit Act Amendments of 1996, which mandates that grant revenues and expenditures be audited in conjunction with the Township's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Schedule of Findings and Questioned Costs. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2022, the Township does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Statewide Insurance Fund (the "Fund"), which was formed in accordance with P.L. 1983, C. 372 entitled "An Act Concerning Joint Insurance Funds for Local Government Units of Government." The Fund provides insurance coverage covering each of the above-mentioned risks of loss. The Township's contribution to the Fund is based on actuarial assumptions determined by the Fund's actuary. The Fund also purchases commercial insurance for claims in excess of coverage provided by the Fund.

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. Below is a summary of Township contributions, employee contributions, 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:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ -0-	\$ 28,900.04	\$ 10,541.83	\$ 463,690.73
2021	-0-	23,414.71	13,084.42	445,332.52
2020	-0-	31,708.19	187.25	435,002.23

NOTE 12: DEFERRED COMPENSATION

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships. In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of Plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts. All assets of the Plan are held by one of two independent administrators, ICMA and Lincoln National Life Insurance Company.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Township of Cranford adopted an ordinance establishing a Length of Service Awards Program for the members of the Cranford Volunteer Fire Department and the Cranford Volunteer Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

All assets of the plan are held by an independent administrator, the Lincoln National Life Insurance Company.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost is anticipated to be \$10,000.00 in 2022.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Township is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2022 was not available, therefore the information dated June 30, 2021 is disclosed.

Plan Description and Benefits Provided

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

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Contributions

The Township's contributions to SHBP for the years ended December 31, 2021, 2020 and 2019 were \$1,417,495.76, \$1,312,642.86, and \$1,240,758.04 respectively, which equaled the required contributions for each year.

Total Net OPEB Liability

At June 30, 2021, the Plan reported a Liability of \$49,796,395.00 for the Township's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The Township's proportion of the Net OPEB Liability was 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.

At June 30, 2021, the Township's proportion was 0.276650 percent, which was a increase of 0.074154 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State reported OPEB expense of \$2,044,974.00. This OPEB benefit was based on the OPEB plans June 30, 2021 measurement date.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$1,117,372	\$10,418,141
Changes of assumptions	7,163,360	8,802,098
Net difference between projected and actual earnings on OPEB plan investments	23,810	
Changes in proportion	<u>15,419,015</u>	<u>3,193,095</u>
	<u>\$23,723,557</u>	<u>\$22,413,334</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2022	(\$528,121)
2023	(532,033)
2024	(535,607)
2025	316,593
2026	2,087,353
Total Thereafter	<u>502,038</u>
	<u>\$1,310,223</u>

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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% to 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%

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

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

Actuarial assumptions used in the July 1, 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 to June 30, 2018, respectively.

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

Discount Rate

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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

The following presents the Net OPEB Liability associated with the Township's as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1.00% <u>Decrease (1.16%)</u>	At Discount Rate (2.16%)	1.00% <u>Increase (3.16%)</u>
Township's proportionate share of the Net OPEB Liability	\$58,600,805	\$49,796,395	\$42,818,710

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Township's as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1.00% <u>Decrease</u>	Healthcare Cost Trend Rate	1.00% <u>Increase</u>
Township's proportionate share of the Net OPEB Liability	\$41,546,964	\$49,796,395	\$60,560,880

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund		\$ 67,500.00
General Capital Fund	\$ 67,500.00	
	<u>\$ 67,500.00</u>	<u>\$ 67,500.00</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 16: LEASES

The Township has entered into a cell tower lease with T-Mobile which commenced in 2018. The lease has four (4) renewal terms. The renewal terms are for sixty (60) months. The lease includes an escalation of 10% for each new term. Payments received by the Township in 2022 totaled \$43,930.43.

NOTE 17: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2022:

	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2022</u>
Land	\$39,249,984.00			\$39,249,984.00
Buildings	26,291,200.00			26,291,200.00
Machinery and Equipment	<u>13,500,084.87</u>	<u>\$1,265,348.78</u>	<u>\$205,761.31</u>	<u>14,559,672.34</u>
	<u>\$79,041,268.87</u>	<u>\$1,265,348.78</u>	<u>\$205,761.31</u>	<u>\$80,100,856.34</u>

NOTE 18: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through August 10, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events to be disclosed.

THIS PAGE INTENTIONALLY LEFT BLANK

TOWNSHIP OF CRANFORD
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR-TREASURER

	REF.		
Balance, December 31, 2021	A	\$	13,258,446.55
Increased by Receipts:			
Taxes Receivable	A-7	\$	110,374,805.51
Revenue Accounts Receivable	A-9		7,734,077.26
Miscellaneous Revenue Not Anticipated	A-2		1,532,880.79
Interfunds	A-10		3,344,902.80
Outside Liens	A-27		666,360.34
DCA Fees Due State of New Jersey	A-28		73,689.00
Marriage Licenses Due State of New Jersey	A-29		1,325.00
Maintenance of Free Public Library	A-21		12,279.00
P.I.L.O.T. Fees Payable	A-33		641,866.67
Senior Citizens Disallowed	A-16		2,000.00
Tax Overpayments	A-18		43,655.83
Prepaid Taxes	A-17		462,333.32
State of New Jersey-Chapter 20,P.L.1971	A-16		114,147.27
Municipal Relief Aid - Unappropriated	A-34		151,312.40
Grants - Unappropriated	A-23		3,347.01
Sewer Charges Receivable	A-30		2,227,116.13
Appropriation Refunds	A-3		1,146,051.17
Grants Receivable	A-19		1,286,994.38
			<u>129,819,143.88</u>
		\$	143,077,590.43
Decreased by Disbursements:			
Appropriations	A-3	\$	39,622,078.56
Appropriation Reserves	A-13		958,619.16
County Taxes	A-14		22,306,135.03
Local District School Tax	A-15		62,221,969.00
Refund of Tax Overpayments	A-18		43,655.83
Interfunds	A-10		3,248,110.77
DCA Fees Due State of New Jersey	A-28		73,987.00
Elevator Inspections	A-20		22,087.50
Marriage Licenses Due State of New Jersey	A-29		2,175.00
Maintenance of Free Public Library	A-21		24,714.79
Reserve for Library	A-32		30,000.00
P.I.L.O.T. Fees Payable	A-33		641,866.67
Refund of Prior Year Revenue	A-1		160.00
Refund of Construction Code Fees	A-2		1,858.00
Refund of Ambulance Fees	A-2		2,341.51
Outside Liens	A-27		666,360.34
DMC Levy Payable	A-11		178,524.99
Grants - Appropriated	A-24		1,317,510.17
Tax Appeals	A-25		301,417.36
			<u>131,663,571.68</u>
Balance, December 31, 2022	A	\$	<u>11,414,018.75</u>

"A-5"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2021 and December 31, 2022	A	\$	<u>1,130.00</u>
---	---	----	-----------------

Analysis

Tax Collector		\$	500.00
Municipal Court			500.00
Recreation			100.00
Board of Health			<u>30.00</u>
		\$	<u>1,130.00</u>

"A-6"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2021	A	\$	1,228,922.76
----------------------------	---	----	--------------

Increased by:

2022 Appropriations	A-3	\$	946,881.49
Federal and State Grants Appropriated	A-24		<u>135,830.59</u>
			<u>1,082,712.08</u>
		\$	<u>2,311,634.84</u>

Decreased by:

Transferred to Appropriation Reserves	A-13	\$	1,188,010.42
Transferred to Federal and State Grants Appropriated	A-24		<u>40,912.34</u>
			<u>1,228,922.76</u>

Balance, December 31, 2022	A	\$	<u>1,082,712.08</u>
----------------------------	---	----	---------------------

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>2022 LEVY</u>	<u>IN 2021</u>	<u>COLLECTED IN 2022</u>	<u>CANCELLED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2022</u>
2021 and Prior	\$ 488,059.39	\$	\$	\$ 467,497.73	\$ 0.32	\$ 561.34	\$
2022		111,555,688.11	755,420.26	110,024,052.31	60,698.03	1,798.46	713,719.05
	<u>\$ 488,059.39</u>	<u>\$ 111,555,688.11</u>	<u>\$ 755,420.26</u>	<u>\$ 110,491,550.04</u>	<u>\$ 60,698.35</u>	<u>\$ 2,359.80</u>	<u>\$ 713,719.05</u>
<u>REF.</u>	A		A-2-A-17	A-2		A-8	A
Collector				\$ 110,374,805.51			
State of New Jersey				<u>116,744.53</u>			
				<u>\$ 110,491,550.04</u>			

ANALYSIS OF 2022 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Purpose Tax	\$ 110,583,548.72
Added Taxes (54:4-63.1 et seq.)	793,614.40
District Management Corporation	<u>178,524.99</u>
	<u>\$ 111,555,688.11</u>
<u>TAX LEVY</u>	
Local District School Tax (Abstract)	\$ 62,221,969.00
County Taxes:	
County Tax (Abstract)	\$ 22,108,936.28
Due County for Added Taxes (54:4-63.1 et seq.)	<u>155,387.69</u>
<u>Total County Taxes</u>	<u>22,264,323.97</u>
District Management Corporation	\$ 178,524.99
Local Tax for Municipal Purposes (Abstract)	24,622,605.56
Minimum Library Tax	1,616,307.00
Add: Additional Tax Levied	<u>651,957.59</u>
	<u>27,069,395.14</u>
	<u>\$ 111,555,688.11</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	7,255.11
Increased by:			
Transfers From Taxes Receivable	A-7	\$	2,359.80
Interest and Costs			<u>92.39</u>
			<u>2,452.19</u>
Balance, December 31, 2022	A	\$	<u><u>9,707.30</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>ACCRUED IN 2022</u>	<u>COLLECTED BY COLLECTOR- TREASURER</u>	<u>BALANCE DECEMBER 31, 2022</u>
Alcoholic Beverage Licenses	A-2	\$	\$ 25,506.00	\$ 25,506.00	\$
Clerk:			0.00		
Licenses-Other	A-2		2,379.00	2,379.00	
Board of Health:			0.00		
Licenses-Other	A-2		19,657.50	19,657.50	
Fees and Permits	A-2		13,462.50	13,462.50	
Engineer:			0.00		
Fees and Permits	A-2		11,783.00	11,783.00	
Police Department:			0.00		
Fees and Permits	A-2		21,426.00	21,426.00	
Recreation Department:			0.00		
Fees and Permits	A-2		11,915.00	11,915.00	
Board of Adjustment			0.00		
Fees and Permits	A-2		41,022.68	41,022.68	
Planning Board :			0.00		
Fees and Permits	A-2		169,420.00	169,420.00	
Assessor					
Fees and Permits	A-2		550.00	550.00	
Fire Department:			0.00		
Fees and Permits	A-2		14,815.00	14,815.00	
Municipal Court:			0.00		
Fines and Costs	A-2	14,652.72	236,854.97	231,735.78	19,771.91
Construction Code Fees	A-2		1,228,207.00	1,228,207.00	
Interest and Costs on Taxes	A-2		142,454.17	142,454.17	
Parking Meters	A-2		625,191.14	625,191.14	
Interest on Investments and Deposits	A-2		78,705.01	78,705.01	
Energy Receipts Tax	A-2		2,900,712.00	2,900,712.00	
Cable T.V. Franchise Tax	A-2		342,460.81	342,460.81	
Hotel Tax	A-2		137,932.54	137,932.54	
Conservation Center Fees	A-2		159,596.00	159,596.00	
Ambulance Fees	A-2		448,701.97	448,701.97	
Uniform Fire Safety Act	A-2		81,259.39	81,259.39	
NJ Housing Finance Agency - P.I.L.O.T	A-2		157,267.00	157,267.00	
Cranford Lincoln Associates - P.I.L.O.T	A-2		52,802.00	52,802.00	
Birchwood - P.I.L.O.T.	A-2		213,955.56	213,955.56	
Developer Debt	A-2		166,693.50	166,693.50	
Library Cost Allocation	A-2		30,000.00	30,000.00	
Cell Tower Lease	A-2		43,930.43	43,930.43	
American Rescue Plan	A-2		160,536.28	160,536.28	
Capital Fund Balance	A-2		200,000.00	200,000.00	
		<u>\$ 14,652.72</u>	<u>\$ 7,739,196.45</u>	<u>\$ 7,734,077.26</u>	<u>\$ 19,771.91</u>
	<u>REF.</u>	<u>A</u>		<u>A-4</u>	<u>A</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SWIM POOL OPERATING FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2021:						
Due From	A	\$ 29,292.03	\$ 29,292.03			
Cash Receipts	A-4	3,344,902.80	1,135,550.63	\$ 57.00	\$ 289,493.26	\$ 1,919,801.91
Cash Disbursements	A-4	<u>3,248,110.77</u>	<u>\$ 1,106,258.60</u>	<u>\$ 57.00</u>	<u>\$ 289,493.26</u>	<u>1,852,301.91</u>
Balance, December 31, 2022:						
Due To	A	<u>\$ 67,500.00</u>			\$	<u>67,500.00</u>

"A-11"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAXES

REF.

Increased by:		
2022 Tax Levy	A-1:A-7	\$ <u>178,524.99</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>178,524.99</u></u>

"A-12"

SCHEDULE OF RESERVE PREPAID SEWER

Balance, December 31, 2021	A	\$ 1,352.54
Decreased by:		
Applied	A-30	<u>1,352.54</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF YEAR 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Administrative and Executive	\$ 8,747.31	\$ 8,747.31	\$	\$ 8,747.31
Channel 35	6,612.58	6,612.58		6,612.58
Township Committee	1,954.00	1,954.00		1,954.00
Township Clerk	11,641.29	11,641.29		11,641.29
Financial Administration	5,830.98	5,830.98		5,830.98
Assessment of Taxes	5,681.73	5,681.73		5,681.73
Collection of Taxes	2,351.14	2,351.14		2,351.14
Engineering Services and Costs	1,705.00	1,705.00		1,705.00
Municipal Land Use Law (N.J.S. 40:55d-1):				
Planning Board	968.06	968.06		968.06
Zoning Board of Adjustment	968.05	968.05		968.05
Zoning/Planning Board of Adjustment	8,180.23	8,180.23		8,180.23
Police	89,813.96	89,813.96		89,813.96
Fire	11,414.15	11,414.15		11,414.15
Emergency Management Services	3,885.88	3,885.88		3,885.88
Road Repair and Maintenance	81,514.17	81,514.17		81,514.17
Communications - 911	23,959.49	23,959.49		23,959.49
Conservation Center	13,064.62	13,064.62		13,064.62
Board of Health	16,272.36	16,272.36		16,272.36
Recreation	13,725.54	13,725.54		13,725.54
Youth Services	10,440.71	10,440.71		10,440.71
Senior Citizen Bus Transportation	13,664.00	13,664.00		13,664.00
Construction Code Official	7,488.87	7,488.87		7,488.87
Municipal Court	16,686.27	16,686.27		16,686.27
<u>OTHER EXPENSES</u>				
Administrative and Executive	28,363.14	141,869.88	81,531.02	60,338.86
Channel 35	5,881.41	12,812.87	6,892.74	5,920.13
Township Committee	497.48	4,934.34	2,460.18	2,474.16
Township Clerk	20,535.72	23,961.85	2,043.17	21,918.68
Financial Administration	11,386.16	15,475.66	3,841.46	11,634.20
Audit		41,400.00	41,400.00	
Assessment of Taxes	16,038.25	17,608.51	1,514.22	16,094.29
Collection of Taxes	6,876.36	7,909.58	2,464.27	5,445.31
Legal Services and Costs	25,108.56	182,094.49	109,370.07	72,724.42
Engineering Services and Costs	25,178.36	66,130.86	46,663.75	19,467.11
Public Buildings and Grounds	77,048.08	172,379.86	99,972.74	72,407.12
Municipal Land Use Law (N.J.S. 40:55d-1):				
Planning Board	21,940.81	51,681.42	4,180.20	47,501.22
Zoning Board of Adjustment	5,501.61	23,964.76	202.15	23,762.61
Zoning/Planning Board of Adjustment	17,063.90	19,901.27	2,512.37	17,388.90
Group Insurance-Health Benefit Waiver	12,710.73	12,710.73		12,710.73
Employee Group Health	134,251.66	136,987.57	1,443.80	135,543.77
General Liability Insurance	2,542.00	4,476.00	1,934.00	2,542.00
Workers' Compensation	2,925.00	2,925.00		2,925.00
Police	2,744.71	88,095.47	85,463.29	2,632.18
Fire	3,381.45	154,743.12	112,785.45	41,957.67
Uniform Fire Safety Act	3,668.61	5,621.20	1,952.59	3,668.61
Emergency Management Services	2,114.68	20,446.22	15,435.61	5,010.61
Emergency Management	7,426.95	7,735.29	308.34	7,426.95
Road Repair and Maintenance	4,297.96	61,255.63	29,136.57	32,119.06

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF YEAR 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Communications	\$ 713.80	\$ 14,828.38	\$ 14,085.74	\$ 742.64
Conservation Center	23,202.98	103,967.51	75,920.56	28,046.95
Recycling		51,450.00	51,450.00	
Board of Health	42,998.17	45,471.75	37,526.71	7,945.04
Environmental Commission	2,796.03	3,027.56	531.53	2,496.03
Animal Control	9,775.00	9,775.00		9,775.00
Celebration of Public Events: Anniversary or Holiday	240.91	1,740.91	1,500.00	240.91
Recreation	8,951.20	33,906.37	24,287.34	9,619.03
Senior Citizen Bus Transportation	2,000.00	3,576.09	3,487.38	88.71
Construction Code Official	12,922.31	14,331.25	633.78	13,697.47
Municipal Court	4,195.37	4,965.27	769.90	4,195.37
Motor Oils and Fuels	11,373.73	68,823.61	13,461.95	55,361.66
Street Lighting	636.90	27,600.54	17,002.04	10,598.50
Utilities-ALL	79,158.85	138,125.48	43,414.75	94,710.73
Contribution to:				
Social Security System	47,769.30	47,769.30		47,769.30
Defined Contribution Retirement Program	1,972.38	1,972.38		1,972.38
Maintenance of Free Public Library	99,042.43	124,790.39	124,790.39	
Salary Adjustment	363.94	363.94		363.94
	<u>\$ 1,142,167.28</u>	<u>\$ 2,330,177.70</u>	<u>\$ 1,062,370.06</u>	<u>\$ 1,267,807.64</u>

REF.

A

A-1

Balance, December 31, 2021
Encumbrances Payable

A

A-6

\$ 1,142,167.28
1,188,010.42

Cash Disbursements
Reserve for Library

A-4

A-32

\$ 2,330,177.70
\$ 958,619.16
103,750.90
\$ 1,062,370.06

"A-14"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Balance, December 31, 2021	A	\$	197,198.75
Increased by:			
2022 Tax Levy:			
County Taxes	A-1:A-7	\$	22,108,936.28
County Share of Added Taxes	A-1:A-7		<u>155,387.69</u>
			22,264,323.97
		\$	<u>22,461,522.72</u>
Decreased by:			
Cash Disbursements	A-4		<u>22,306,135.03</u>
Balance, December 31, 2022	A	\$	<u><u>155,387.69</u></u>

"A-15"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Increased by:			
2022 Tax Levy	A-1:A-7	\$	<u>62,221,969.00</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>62,221,969.00</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2021 (Due from)	A	\$	1,069.18
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$	10,500.00
Veterans			104,250.00
Senior Citizens and Veterans Allowed by Collector			<u>2,750.00</u>
			117,500.00
		\$	<u>118,569.18</u>
Decreased by:			
Senior Citizens Disallowed by Collector			
Current Year		\$	755.47
Senior Citizens Disallowed by Collector	A-4		2,000.00
Received From State of New Jersey	A-4		<u>114,147.27</u>
			<u>116,902.74</u>
Balance, December 31, 2022 (Due from)	A	\$	<u><u>1,666.44</u></u>

SUMMARY OF 2022 EXEMPTIONS

Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	114,750.00
Senior Citizens and Veterans Exemptions			
Allowed by Tax Collector			<u>2,750.00</u>
		\$	117,500.00
Senior Citizens and Veterans Exemptions			
Disallowed by Tax Collector			<u>755.47</u>
	A-7	\$	<u><u>116,744.53</u></u>

"A-17"

TOWNSHIP OF CRANFORD
CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 755,420.26
Increased by:		
Collection of 2023 Taxes	A-4	<u>462,333.32</u>
		\$ <u>1,217,753.58</u>
Decreased by:		
Applied to 2022 Taxes	A-7	<u>755,420.26</u>
Balance, December 31, 2022	A	\$ <u><u>462,333.32</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Increased by:		
Overpayments - 2022	A-4	\$ <u>43,655.83</u>
Decreased by:		
Refund of Overpayments	A-4	\$ <u><u>43,655.83</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>ACCRUED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
Clean Communities Program	\$	\$ 45,883.86	\$ 45,883.86	\$
Federal Bulletproof Vest Program	4,637.60	10,099.80	5,554.89	9,182.51
2021 UC Preservation Open Space	13,348.81			13,348.81
Elizabethtown Gas 2021 First Responder	4,485.00		4,485.00	
Body Armor Replacement Fund	3,647.16	2,424.60	2,424.60	3,647.16
Recycling Tonnage Grant		17,657.57	17,657.57	
Municipal Alliance	10,348.25	12,232.25	10,348.25	12,232.25
Body-Worn Camera Grant	32,608.00			32,608.00
Drive Sober or Get Pulled Over	6,000.00		6,000.00	
W J Porter Community Tree Project (EC)		2,500.00	2,500.00	
2022 Union County Public Art/Mural Grant (SID)		5,000.00	5,000.00	
Union County Kids Recreation	65,000.00	60,000.00	74,081.21	50,918.79
U Text U Drive U Lose		7,000.00	7,000.00	
Green Communities	9,000.00	2,500.00	2,500.00	9,000.00
American Rescue Plan Firefighter Grant		31,000.00		31,000.00
DMHAS Youth Leadership Grant		3,646.00		3,646.00
2022 Open Space Stewardship Grant (ANJEC:E/C)		1,358.00	905.00	453.00
National Opioids Settlement		14,064.73	14,064.73	
American Rescue Plan Act Grant (SPU)		1,098,312.42	1,098,312.42	
	<u>\$ 149,074.82</u>	<u>\$ 1,313,679.23</u>	<u>\$ 1,296,717.53</u>	<u>\$ 166,036.52</u>
<u>REF.</u>	A	A-2		A
Cash Receipts	A-4		\$ 1,286,994.38	
Canceled	A-24		<u>9,723.15</u>	
			<u>\$ 1,296,717.53</u>	

"A-20"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR ELEVATOR INSPECTIONS

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 31,750.00
Decreased by:		
Cash Disbursements	A-4	<u>22,087.50</u>
Balance, December 31, 2022	A	\$ <u>9,662.50</u>

"A-21"

SCHEDULE OF RESERVE FOR MAINTENANCE OF
FREE PUBLIC LIBRARY

Balance, December 31, 2021	A	\$ 23,502.11
Increased by:		
Cash Receipts	A-4	<u>12,279.00</u>
		\$ <u>35,781.11</u>
Decreased by:		
Cash Disbursements	A-4	<u>24,714.79</u>
Balance, December 31, 2022	A	\$ <u>11,066.32</u>

"A-22"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2021 and December 31, 2022	A	\$ <u>268,000.00</u>
---	---	----------------------

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER 31, 2021	CASH RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2022
American Rescue Plan	\$ 1,258,848.70	\$	\$ 1,258,848.70	\$
State Body Armor Replacement Fund		3,347.01		3,347.01
	<u>\$ 1,258,848.70</u>	<u>\$ 3,347.01</u>	<u>\$ 1,258,848.70</u>	<u>\$ 3,347.01</u>
<u>REF.</u>	A	A-4	A-2	A

"A-25"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 493,135.86
Decreased by:		
Cash Disbursements	A-4	<u>301,417.36</u>
Balance, December 31, 2022	A	\$ <u>191,718.50</u>

"A-26"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

Balance, December 31, 2021 and December 31, 2022	A	\$ <u>3,765,400.00</u>
---	---	------------------------

"A-27"

SCHEDULE OF RESERVE FOR OUTSIDE LIENS

Balance, December 31, 2021	A	\$ 358.30
Increased by:		
Cash Receipts	A-4	<u>666,360.34</u>
		\$ <u>666,718.64</u>
Decreased by:		
Cash Disbursements	A-4	<u>666,360.34</u>
Balance, December 31, 2022	A	\$ <u>358.30</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DCA FEES DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 12,574.00
Increased by:		
Cash Receipts	A-4	73,689.00
		\$ <u>86,263.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>73,987.00</u>
Balance, December 31, 2022	A	\$ <u><u>12,276.00</u></u>

SCHEDULE OF MARRIAGE LICENSES DUE STATE OF NEW JERSEY

Balance, December 31, 2021	A	\$ 850.00
Increased by:		
Cash Receipts	A-4	1,325.00
		\$ <u>2,175.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>2,175.00</u>

"A-30"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SEWER CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	34,880.17
Increased by:			
Sewer Billing			<u>2,272,303.83</u>
		\$	<u>2,307,184.00</u>
Decreased by:			
Cash Receipts	A-4	\$	2,227,116.13
Prepayments Applied	A-12		<u>1,352.54</u>
			<u>2,228,468.67</u>
Balance, December 31, 2022	A	\$	<u><u>78,715.33</u></u>

"A-31"

SCHEDULE OF SEWER CHARGE LIENS RECEIVABLE

Balance, December 31, 2021 and December 31, 2022	A	\$	<u><u>9.44</u></u>
---	---	----	--------------------

"A-32"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY

REF.

Balance, December 31, 2021	A	\$	354,573.77
Increased by:			
Transferred from Appropriation Reserves	A-13	\$	<u>103,750.90</u>
			<u>103,750.90</u>
		\$	<u>458,324.67</u>
Decreased by:			
Cash Disbursements	A-4		<u>30,000.00</u>
Balance, December 31, 2022	A	\$	<u><u>428,324.67</u></u>

"A-33"

SCHEDULE OF P.I.L.O.T. FEES PAYABLE

Increased by:			
Cash Receipts	A-4	\$	641,866.67
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>641,866.67</u></u>

"A-34"

SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF AID-UNAPPROPRIATED

Increased by:			
Cash Receipts	A-4	\$	151,312.40
Balance, December 31, 2022	A	\$	<u><u>151,312.40</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	BALANCE DECEMBER <u>31, 2021</u>	RAISED IN <u>2022 BUDGET</u>
Emergency Authorization (N.J.S.A. 40A:4-46)	\$ <u>500,000.00</u>	\$ <u>500,000.00</u>
	\$ <u><u>500,000.00</u></u>	\$ <u><u>500,000.00</u></u>
<u>REF.</u>	A	A:3

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>		<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2021	B		\$ 13,626.24	\$ 2,905,326.16
Increased by Receipts:				
License Fees Collected	B-3	\$ 26,369.01		
Due State of New Jersey	B-2	1,831.60		
Interfunds	B-7			1,413.00
Community Development Block Grants	B-4			17,250.00
Payroll Deductions	B-8			11,089,842.83
Miscellaneous Trust Deposits	B-9			1,828,090.04
District Management Corporation	B-6			199,225.36
			28,200.61	13,135,821.23
			<u>\$ 41,826.85</u>	<u>\$ 16,041,147.39</u>
Decreased by Disbursements:				
Community Development Block Grants	B-5	\$		
Expenditures Under R.S. 4:19-15.11	B-3	6,952.13		17,250.00
Due State of New Jersey	B-2	1,825.60		
District Management Corporation	B-6			196,381.86
Payroll Deductions	B-8			11,077,682.61
Interfunds	B-7			1,413.00
Miscellaneous Trust Deposits	B-9			1,904,948.08
			<u>8,777.73</u>	<u>13,197,675.55</u>
Balance, December 31, 2022	B		<u>\$ 33,049.12</u>	<u>\$ 2,843,471.84</u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 465.60
Increased by:		
Cash Receipts	B-1	<u>1,831.60</u>
		\$ 2,297.20
Decreased by:		
Cash Disbursements	B-1	<u>1,825.60</u>
Balance, December 31, 2022	B	<u><u>\$ 471.60</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	13,160.64
Increased by:			
Dog/Cat License Fees Collected	B-1	\$ <u>26,369.01</u>	\$ <u>26,369.01</u>
			<u>39,529.65</u>
Decreased by:			
Cash Disbursements	B-1	<u>6,952.13</u>	<u>6,952.13</u>
Balance, December 31, 2022	B	\$	<u><u>32,577.52</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$ 25,643.90
2020	<u>24,444.96</u>
	<u><u>\$ 50,088.86</u></u>

"B-4"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK
GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 17,250.00
Increased by:		
Grants Received	B-5	17,250.00
		\$ 34,500.00
Decreased by:		
Cash Receipts	B-1	17,250.00
Balance, December 31, 2022	B	\$ 17,250.00

"B-5"

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK
GRANTS RESERVE

Balance, December 31, 2021	B	\$ 17,250.00
Increased by:		
Grants Received	B-4	17,250.00
		\$ 34,500.00
Decreased by:		
Cash Disbursements	B-1	\$ 17,250.00
		17,250.00
Balance, December 31, 2022	B	\$ 17,250.00

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR DISTRICT MANAGEMENT CORPORATION

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	6,615.57
Increased by:			
Levy	B-1	\$	178,524.99
Miscellaneous Receipts	B-1		<u>20,700.37</u>
			199,225.36
		\$	<u>205,840.93</u>
Decreased by:			
Cash Disbursements	B-1		<u>196,381.86</u>
Balance, December 31, 2022	B	\$	<u><u>9,459.07</u></u>

"B-7"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF INTERFUNDS - TRUST OTHER FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	B-1	\$ <u>1,413.00</u>	\$ <u>1,413.00</u>
Cash Disbursements	B-1	\$ <u>1,413.00</u>	\$ <u>1,413.00</u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 153,183.44
Increased by:		
Cash Receipts	B-1	<u>11,089,842.83</u>
		\$ <u>11,243,026.27</u>
Decreased by:		
Cash Disbursements	B-1	<u>11,077,682.61</u>
Balance, December 31, 2022	B	\$ <u><u>165,343.66</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2021	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2022
Police Outside Overtime	\$ 3,216.00	\$ 429,652.69	\$ 423,666.13	\$ 9,202.56
Medical Reimbursement	8,873.76	1,806.13	1,758.30	8,921.59
Developer's Deposits	238,067.24	320,059.08	299,673.86	258,452.46
Escrow Deposits	732,881.56	71,439.66	79,292.40	725,028.82
State Unemployment Insurance	445,332.52	28,900.04	10,541.83	463,690.73
Forfeiture Accounts	21,956.74	7,855.68	5,000.00	24,812.42
Public Defender	29,474.41	2,270.00	12,150.00	19,594.41
Sign Fund	436.30			436.30
Tax Sale Premiums	604,900.00	137,300.00	404,300.00	337,900.00
POAA	5,240.73	3,052.00	853.39	7,439.34
Cable TV Donations	5,302.85	685.00	4,073.79	1,914.06
Enrichment	297,762.75	320,948.11	393,716.50	224,994.36
Recycling	11,802.75	4,077.49	2,898.36	12,981.88
DMC Donations	517.36	79,467.96	66,514.58	13,470.74
Body Armor Donations	5,591.16			5,591.16
Fire Penalties	1,264.61			1,264.61
LOSAP	20,671.05	17,575.71	24,150.00	14,096.76
Post Office Donations	16,906.14		9,225.15	7,680.99
Municipal Alliance Donations	2,322.70	1,000.00		3,322.70
Fire Donations	27,110.00	350.00	23,502.65	3,957.35
Police Donations	9,365.88	54,300.00	3,401.81	60,264.07
C.O.A.H.	116,966.50	57,195.93	22,678.52	151,483.91
Tree Replacement	4,500.00			4,500.00
Accumulated Absences	10,000.00	5,000.00		15,000.00
Public Events Recreation Donations	5,000.00			5,000.00
Celebration Public Events Donations	1,298.01	439.00		1,737.01
Snow Removal(Storm Recovery)	118,766.13	284,715.56	117,550.81	285,930.88
	<u>\$ 2,745,527.15</u>	<u>\$ 1,828,090.04</u>	<u>\$ 1,904,948.08</u>	<u>\$ 2,668,669.11</u>

REF.

B

B-1

B-1

B

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	4,380,051.02
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-11	\$	215,000.00
Grants Receivable	C-7		323,750.00
Due from Cranford Board of Education	C-4		70,000.00
Bond Anticipation Notes	C-9		22,753,452.00
Interfunds	C-15		3,133,758.02
Due from Homeowners	C-13		57,536.67
Deferred Charges to Future Taxation Unfunded			112,500.00
Reserve for American Rescue Plan Recovery	C-17		919,384.00
Reserve for Ida	C-19		31,644.00
Reserve for Homeowners Contributions	C-20		134,723.27
Reserve for Debt Service	C-18		0.99
Premium on Sale of Notes	C-1		79,520.46
			<u>27,831,269.41</u>
		\$	32,211,320.43
Decreased by Disbursements:			
Contracts Payable	C-14	\$	8,331,283.99
Bond Anticipation Notes	C-9		17,545,575.00
Reserve for Ida	C-19		60,872.46
Interfunds	C-15		3,201,258.02
Capital Fund Balance Utilized in Current Fund	C-1		200,000.00
			<u>29,338,989.47</u>
Balance, December 31, 2022	C:C-3	\$	<u>2,872,330.96</u>

"C-3"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

ANALYSIS OF CASH

BALANCE
DECEMBER
31, 2022

Fund Balance	\$ 452,500.34
Improvement Authorizations Funded Set Forth on "C-8"	1,065,769.38
Improvement Authorizations Expended As Set Forth on Exhibit "C-6"	(3,543,491.23)
Improvement Authorizations Unfunded - Unexpended Proceeds of Notes "C-6"	3,460,817.63
Grants Receivable	(2,767,072.50)
Local Homeowners Receivable	(78,219.84)
Capital Improvement Fund	23,277.00
Contracts Payable	4,863,470.66
Reserve for Debt Service	6,063.66
Reserve for Homeowners Contributions	134,723.27
Cash on Hand to Pay Notes Various Ordinances "C-6"	90,000.59
Due From Cranford Board of Education	(768,008.00)
Interfunds Payable	<u>(67,500.00)</u>
	<u>\$ 2,872,330.96</u>

REF.

C-2

"C-4"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CRANFORD BOARD OF EDUCATION

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 24,153.00
Increased by:		
Appropriation to Finance Improvement Authorizations	C-8	813,855.00
		<u>\$ 838,008.00</u>
Decreased by:		
Cash Receipts	C-2	<u>70,000.00</u>
Balance, December 31, 2022	C	<u><u>\$ 768,008.00</u></u>

"C-5"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2021	C	\$ 25,976,176.73
Budget Appropriation to Pay Bonds	C-10	\$ 1,760,000.00
Budget Appropriation to Pay Infrastructure Loans	C-16	493,832.43
Budget Appropriation to Pay Green Trust Loans	C-12	<u>12,603.36</u>
		<u>2,266,435.79</u>
Balance, December 31, 2022	C	<u><u>\$ 23,709,740.94</u></u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2022			
		BALANCE DECEMBER 31, 2022	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
01-38/03-27/05-47/06-28/07-35/11-31	Construction of a Municipal Parking Garage	\$ 14,833.59	\$	\$ 14,833.59	\$
14-14	Various Public Improvements	574,926.41			
15-24	Various Public Improvements	793,812.00			
15-27	Various Public Improvements	1,089,060.00			
15-31	Acquisition of Real Property	1,182,036.14			
16-12	Multi-Purpose	2,441,715.00			
16-13	Turf Field	121,144.00			
16-18	Storm Drainage and Flood Management	77,939.15			
17-05	Multi-Purpose	1,528,692.00			
18-09	Multi-Purpose	3,413,298.00			
19-05	Multi-Purpose	5,196,456.00			
20-06	Multi-Purpose	4,255,000.00			
21-10	Multi-Purpose	4,737,000.00			
22-12	Multi-Purpose	4,104,500.00			
		<u>\$ 29,530,412.29</u>	<u>\$ 22,663,451.41</u>	<u>\$ 3,543,491.23</u>	<u>\$ 3,323,469.65</u>
		C		C-3	
	REF.				
	Bond Anticipation Notes	\$	22,753,452.00		
	Less: Cash on Hand to Pay Notes - Various Ordinances		<u>90,000.59</u>		
		\$	<u>22,663,451.41</u>		
	Improvement Authorizations-Unfunded				\$ 6,784,287.28
	Less: Bond Anticipation Note Proceeds				<u>3,460,817.63</u>
	Unexpended Ordinances-Variou				<u>\$ 3,323,469.65</u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	2,554,322.50
Increased by:			
Grants Awarded	C-8		<u>536,500.00</u>
		\$	<u>3,090,822.50</u>
Decreased by:			
Cash Receipts	C-2	\$ <u>323,750.00</u>	<u>323,750.00</u>
Balance, December 31, 2022	C	\$	<u><u>2,767,072.50</u></u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATIONS	NET PAID OR CHARGED	CONTRACTS PAYABLE CANCELED	IMPROVEMENT AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2022	
			FUNDED	UNFUNDED					FUNDED	UNFUNDED
General Improvements:										
12-15	Reconstruction Lower Level-Municipal Building	\$ 3,500,000.00	\$ 456,267.07	\$	\$	\$ 121,905.25	\$	\$	\$ 334,361.82	\$
12-19	Various Improvements	830,000.00	61,207.83					61,207.83		
12-21	Multi-Purpose	1,361,800.00	45,610.56			5,087.18		40,523.38		
12-37	Various Storm Improvements	580,000.00	8,949.09					8,949.09		
13-16	Multi-Purpose	1,300,500.00	201,554.43					201,554.43		
14-14	Various Public Improvements	5,455,000.00		135,594.73			191.66			135,786.39
14-16	Various Improvements to Municipal Building	1,003,760.00	11,735.56						1,739.56	
15-24	Various Public Improvements	4,435,000.00		421,474.40						411,012.31
15-27	Various Public Improvements	1,330,000.00		26,772.31						2,140.53
16-12	Multi-Purpose	3,774,128.00		490,683.98						489,333.10
16-28	Acq. of Real Property	18,500,000.00	57,728.10							
17-05	Multi-Purpose	3,988,500.00		198,832.84						
18-09	Multi-Purpose	4,565,500.00		1,198,988.77						
19-05	Multi-Purpose	6,587,000.00		773,546.88						
20-06	Multi-Purpose	5,000,000.00		916,201.69	\$					
20-07	Elevation of Homes	1,726,100.00	1,468,975.00							
21-10	Multi-Purpose	5,525,000.00		3,271,522.64						
22-07	BOE Turf Field/Track Replacement	813,855.00								
22-12	Multi-Purpose	5,800,000.00								
			\$ 2,312,027.64	\$ 7,433,618.24	\$ 6,613,855.00	\$ 8,284,831.62	\$ 145,350.23	\$ 369,962.83	\$ 1,085,769.38	\$ 6,784,287.28
			C	C		C-14	C-14		C-C-3	C-C-6
Capital Improvement Fund										
Grants Receivable					\$ 205,472.00					
Capital Fund Balance					536,500.00					
Reserve for Storm Damage					31,844.00					
Reserve for American Rescue Plan Recovery					919,384.00					
Due From Cranford Board of Education					813,855.00					
Deferred Charges to Future Taxation - Unfunded					4,107,000.00					
					\$ 6,613,855.00				\$ 369,962.83	

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2021	INCREASE	DECREASE	BALANCE DECEMBER 31, 2022
14-14	Various Public Improvements	11/30/15	6/24/22	6/23/23	2.67%	\$	\$ 574,927.00	\$	574,927.00
14-14	Various Public Improvements	11/30/15	6/25/21	6/24/22	1.00%	627,393.00		627,393.00	
15-24	Various Public Improvements	6/30/16	6/24/22	6/23/23	2.67%		793,812.00		793,812.00
15-24	Various Public Improvements	6/30/16	6/25/21	6/24/22	1.00%	845,359.00		845,359.00	
15-27	Various Public Improvements	12/8/16	6/24/22	6/23/23	2.67%		1,089,060.00		1,089,060.00
15-27	Various Public Improvements	12/8/16	6/25/21	6/24/22	1.00%	1,133,295.00		1,133,295.00	
15-31	Acq. Of Real Property	11/30/15	6/24/22	6/23/23	2.67%		1,124,050.00		1,124,050.00
15-31	Acq. Of Real Property	11/30/15	6/25/21	6/24/22	1.00%	1,139,240.00		1,139,240.00	
16-12	Multi-Purpose	12/8/16	6/24/22	6/23/23	2.67%		2,385,244.00		2,385,244.00
16-12	Multi-Purpose	12/8/16	6/25/21	6/24/22	1.00%	2,538,933.00		2,538,933.00	
16-12	Multi-Purpose	6/30/17	6/24/22	6/23/23	2.67%		56,471.00		56,471.00
16-12	Multi-Purpose	6/30/17	6/25/21	6/24/22	1.00%	59,889.00		59,889.00	
16-13	Turf Field	6/30/17	6/24/22	6/23/23	2.67%		166,144.00		166,144.00
16-13	Turf Field	6/30/17	6/25/21	6/24/22	1.00%	220,996.00		220,996.00	
17-05	Multi-Purpose	6/30/17	6/24/22	6/23/23	2.67%		267,837.00		267,837.00
17-05	Multi-Purpose	6/30/17	6/25/21	6/24/22	1.00%	286,083.00		286,083.00	
17-05	Multi-Purpose	6/30/18	6/24/22	6/23/23	2.67%		343,402.00		343,402.00
17-05	Multi-Purpose	6/30/18	6/25/21	6/24/22	1.00%	276,103.00		276,103.00	
17-05	Multi-Purpose	6/28/19	6/24/22	6/23/23	2.67%		259,550.00		259,550.00
17-05	Multi-Purpose	6/28/19	6/25/21	6/24/22	1.00%	363,990.00		363,990.00	
17-05	Multi-Purpose	10/24/19	10/21/22	7/20/23	4.75%		657,903.00		657,903.00

9-11

"C-11"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 13,749.00
Increased by:		
Budget Appropriation	C-2	215,000.00
		<u>\$ 228,749.00</u>
Decreased by:		
Appropriation to Finance Improvement		
Authorizations	C-8	205,472.00
Balance, December 31, 2022	C	<u><u>\$ 23,277.00</u></u>

"C-12"

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Balance, December 31, 2021	C	\$ 72,527.84
Decreased by:		
Loans Paid by Budget	C-5	12,603.36
Balance, December 31, 2022	C	<u><u>\$ 59,924.48</u></u>

"C-13"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF LOCAL HOMEOWNERS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 135,756.51
Decreased by:		
Cash Receipts	C-2	<u>57,536.67</u>
Balance, December 31, 2022	C	<u><u>\$ 78,219.84</u></u>

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2021	C	\$ 5,055,273.26
Increased by:		
Improvement Authorizations Charged	C-8	<u>8,284,831.62</u>
		13,340,104.88
Decreased by:		
Cash Disbursements	C-2	\$ 8,331,283.99
Canceled	C-8	<u>145,350.23</u>
		<u>8,476,634.22</u>
Balance, December 31, 2022	C	<u><u>\$ 4,863,470.66</u></u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SWIM POOL OPERATING FUND</u>	<u>CURRENT FUND</u>
Cash Receipts	C-2	\$ 3,133,758.02	\$ 58,763.95	\$ 3,074,994.07
Cash Disbursements	C-2	3,201,258.02	58,763.95	3,142,494.07
Balance, December 31, 2022:	C	\$ 67,500.00	\$	\$ 67,500.00
Due From				

"C-16"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF NJ INFRASTRUCTURE LOANS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	4,365,648.89
Decreased by:			
Loans Paid by Budget	C-5	\$ <u>493,832.43</u>	<u>493,832.43</u>
Balance, December 31, 2022	C	\$	<u><u>3,871,816.46</u></u>

"C-17"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR AMERICAN RESCUE PLAN RECOVERY

REF.

Increased by:

Cash Receipts	C-22	\$	919,384.00
---------------	------	----	------------

Decreased by:

Appropriation to Finance Improvement			
Authorizations	C-8		<u>919,384.00</u>

"C-18"

SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2021	C	\$	6,062.67
----------------------------	---	----	----------

Increased by:

Cash Receipts	C-2		<u>0.99</u>
		\$	6,063.66

Balance, December 31, 2022	C	\$	<u>6,063.66</u>
----------------------------	---	----	-----------------

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR STORM DAMAGE

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	60,872.46
Increased by:			
Cash Receipts	C-2		<u>31,644.00</u>
		\$	92,516.46
Decreased by:			
Appropriation to Finance Improvement			
Authorizations	C-8	\$	31,644.00
Transfer to Current Fund	C-2		<u>60,872.46</u>
			<u>92,516.46</u>

SCHEDULE OF RESERVE FOR HOMEOWNERS CONTRIBUTIONS

Increased by:			
Cash Receipts	C-2	\$	134,723.27
Balance, December 31, 2022	C	\$	<u>134,723.27</u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
01-38/03-27/05-47/06-28/07-35/11-31	Parking Garage	\$ 14,833.59
15-31	Acquisition of Real Property	57,986.14
16-18	Storm Drainage & Flood Mgmt.	77,939.15
21-10	Multi-Purpose	2,611,702.00
22-12	Multi-Purpose	<u>4,104,500.00</u>
		<u>\$ 6,866,960.88</u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2021	D	\$ 845,793.86	\$ 127,478.75
Increased by Receipts:			
Bond Anticipation Notes	D-6		1,146,548.00
Appropriation Refunds	D-3	235.00	
Memberships	D-2	1,190,677.09	
American Rescue Plan Act	D-2	1,098,312.42	
Miscellaneous	D-2	257,189.91	
Miscellaneous Revenue Not Anticipated	D-2	2,000.00	
		<u>2,548,414.42</u>	<u>1,146,548.00</u>
		\$ 3,394,208.28	\$ 1,274,026.75
Decreased by Disbursements:			
2022 Appropriations	D-3	\$ 1,568,358.18	\$
2021 Appropriation Reserves	D-12	46,366.84	
Due Current Fund	D-19	29,292.03	
Special Emergency Notes Payable	D-20	1,098,000.00	
Bond Anticipation Notes	D-6		1,146,548.00
Contracts Payable	D-8		50,835.46
		<u>2,742,017.05</u>	<u>1,197,383.46</u>
Balance, December 31, 2022	D:D-5	\$ 652,191.23	\$ 76,643.29

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF SWIM POOL UTILITY CAPITAL CASH

		BALANCE DECEMBER <u>31, 2022</u>
Capital Improvement Fund	\$	6,840.00
Contracts Payable		51,297.53
Improvement Authorizations 15-26		8,826.64
Improvement Authorizations 16-17		<u>9,679.12</u>
	\$	<u><u>76,643.29</u></u>

REF.

D-4

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2022</u>
15-26	Various Pool Improvements	12/8/16	6/24/22	6/23/23	2.67%	\$ 766,653.00	\$ 736,204.00	\$ 766,653.00	\$ 736,204.00
16-17	Various Pool Improvements	12/8/16	6/24/22	6/23/23	2.67%	426,758.00	410,344.00	426,758.00	410,344.00
						<u>\$ 1,193,411.00</u>	<u>\$ 1,146,548.00</u>	<u>\$ 1,193,411.00</u>	<u>\$ 1,146,548.00</u>
					<u>REF.</u>	<u>D</u>	<u>D-4</u>		<u>D</u>
	Cash Disbursements				D-4			\$ 1,146,548.00	
	Notes Paid by Budget				D-17			<u>46,863.00</u>	
								<u>\$ 1,193,411.00</u>	

"D-7"

TOWNSHIP OF CRANFORD
SWIM POOL UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUND

	<u>REF.</u>	
Balance, December 31, 2022 and December 31, 2021	D	\$ <u>150.00</u>

"D-8"

SWIM POOL UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2021	D	\$ 25,571.30
Increased by:		
Improvement Authorizations	D-15	<u>76,561.69</u>
		\$ <u>102,132.99</u>
Decreased by:		
Cash Disbursements	D-4	<u>\$ 50,835.46</u>
		<u>50,835.46</u>
Balance, December 31, 2022	D	\$ <u>51,297.53</u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
General Improvements:				
15-26	Various Pool Improvements	1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
16-17	Various Pool Improvements	500,000.00	500,000.00	500,000.00
			<u>\$ 1,500,000.00</u>	<u>\$ 1,500,000.00</u>
	<u>REF.</u>		D	D

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
Swim Pool Facilities:		
Orange Avenue	\$ 1,242,525.00	\$ 1,242,525.00
Centennial Avenue	2,000,449.00	2,000,449.00
Pool Improvements	1,450,000.00	1,450,000.00
General Equipment	<u>774,954.34</u>	<u>774,954.34</u>
	<u>\$ 5,467,928.34</u>	<u>\$ 5,467,928.34</u>
<u>REF.</u>	D	D

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2022 and
December 31, 2021

D

\$ 6,840.00

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 61,295.15	\$ 61,295.15	\$	61,295.15
Other Expenses	16,158.59	57,860.92	46,366.84	11,494.08
Statutory Expenditures:				
Social Security	<u>18,157.85</u>	<u>18,157.85</u>		<u>18,157.85</u>
	<u>\$ 95,611.59</u>	<u>\$ 137,313.92</u>	<u>\$ 46,366.84</u>	<u>\$ 90,947.08</u>
<u>REF.</u>	D:D-12		D-4	D-1

Balance, December 31, 2021	D-12	\$ 95,611.59
Encumbrances Payable	D-13	<u>41,702.33</u>
		<u>\$ 137,313.92</u>

"D-13"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 41,702.33
Increased by:		
Charges to Appropriations	D-3	<u>42,806.39</u>
		\$ <u>84,508.72</u>
Decreased by:		
Transferred to Appropriation Reserves	D-12	<u>41,702.33</u>
Balance, December 31, 2022	D	\$ <u><u>42,806.39</u></u>

"D-14"

SCHEDULE OF ACCRUED INTEREST ON NOTES

Balance, December 31, 2021	D	\$ 14,787.46
Increased by:		
Budget Appropriation	D-3	<u>4,502.01</u>
Balance, December 31, 2022	D	\$ <u><u>19,289.47</u></u>

TOWNSHIP OF CRANFORD
SWIM POOL UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2021		PAID OR CHARGED	BALANCE DECEMBER 31, 2022	
				UNFUNDED			UNFUNDED
General Improvements:							
15-26	Various Pool Improvements	\$ 1,000,000.00	\$ 9,288.72	\$	462.08	\$ 8,826.64	
16-17	Various Pool Improvements	500,000.00	85,778.73		76,099.61	9,679.12	
			<u>\$ 95,067.45</u>	<u>\$</u>	<u>76,561.69</u>	<u>\$ 18,505.76</u>	
REF.			D		D-8		D

"D-16"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

REF.

Balance, December 31, 2022 and
December 31, 2021

D

\$ 4,973,928.34

"D-17"

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Balance, December 31, 2021

D

\$ 800,589.00

Increased by:

Notes Paid by Budget

D-6

46,863.00

Balance, December 31, 2022

D

\$ 847,452.00

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

PURPOSE

Emergency Authorization (N.J.S.A. 40A:4-53)

BALANCE DECEMBER 31, 2021	RAISED IN 2022 BUDGET
1,098,312.42	1,098,312.42
\$ 1,098,312.42 \$	1,098,312.42

REF.

D

D-3

"D-19"

TOWNSHIP OF CRANFORD
SWIM POOL UTILITY OPERATING FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2021 (Due To)	D	\$	29,292.03
Cash Disbursements	D-4		<u>29,292.03</u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	1,098,000.00
Decreased by:			
Cash Disbursements	D-4	\$	<u>1,098,000.00</u>

TOWNSHIP OF CRANFORD

PART II

SINGLE AUDIT SECTION

REPORTS 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

REPORTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the Township Committee
Township of Cranford
County of Union
Cranford, New Jersey 07016

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Cranford, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated August 10, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Cranford prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

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

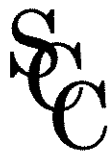
Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

August 10, 2023



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

The Honorable Mayor and Members
of the Township Committee
Township of Cranford
County of Union
Cranford, New Jersey 07016

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Township of Cranford, County of Union, State of New Jersey (the "Township") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2022. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. 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 generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

SUPLEE, CLOONEY & COMPANY

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

August 10, 2023

TOWNSHIP OF CRANFORD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	GRANTOR'S NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	RECEIVED	EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2022
			FROM	TO				
Department of Law and Public Safety. Drive Sober or Get Pulled Over	20.602		Continuous		\$ 1,140.00	\$ 1,140.00	\$ 480.00	\$ 1,140.00
U Text U Drive u Lose	20.616		Continuous		7,000.00	7,000.00	7,000.00	7,000.00
Click It or Ticket	20.616		Continuous		6,000.00			6,000.00
						8,140.00	7,480.00	14,140.00
U. S. Department of Housing and Urban Development Pass Through County of Union.	14.218	785-042-4900-004-178900	9/1/21	8/31/22	17,250.00			17,250.00
Community Development Block Grant -Social Services	14.218	785-042-4900-004-178900	9/1/21	8/31/22	25,000.00		25,000.00	25,000.00
Community Development Block Grant -Handicapped Ramps Ord. 21-10	14.218	785-042-4900-004-178900	9/1/22	8/31/23	17,250.00	4,000.00	17,250.00	17,250.00
Community Development Block Grant -Social Services	14.218	785-042-4900-004-178900	9/1/22	8/31/23	25,000.00			
Community Development Block Grant -Handicapped Ramps Ord. 22-12						21,250.00	42,250.00	59,500.00
U.S. Department of Justice Bulletproof Vest Partnership Program	16.607		Continuous		16,581.76	4,637.60	9,089.82	15,851.18
Bulletproof Vest Partnership Program	16.607		Continuous		10,099.80	917.29		
						5,554.89	9,089.82	15,851.18
U.S. Department of Treasury American Rescue Plan (ARPA)	21.027	21-100-022-8030-087	3/3/21	12/31/24	1,258,848.70		1,258,848.70	1,258,848.70
American Rescue Plan (ARPA)	21.027	21-100-022-8030-087	3/3/21	12/31/24	1,258,848.70	1,258,848.70	814,415.71	814,415.71
						1,258,848.70	2,073,264.41	2,073,264.41
U. S. Department of Homeland Security Pass Through State of New Jersey.	97.039		Continuous		\$ 1,868,563.33	\$	\$ 739,307.00	\$ 996,432.00
FEMA Disaster Grant-Elevation of Homes-Ordinance 20-07	97.036		Continuous		1,025,833.77	1,025,833.77	1,025,833.77	1,025,833.77
FEMA Disaster Grant Hurricane Ida						1,025,833.77	1,765,140.77	2,022,265.77
						\$ 2,319,627.36	\$ 3,897,225.00	\$ 4,185,021.36
TOTAL								

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule

TOWNSHIP OF CRANFORD

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

NOTE 1. GENERAL

The accompanying schedule of expenditures of federal awards present the activity of all federal financial programs of the Township of Cranford, County of Union, New Jersey. All federal financial assistance received directly from federal, as well as federal assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exceptions, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports. In addition, the Township has not elected to use the de minimus cost rate as covered in 2 CFR 200.414 (F&AS) costs.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in the Current Fund, Trust Funds and Capital Fund.

Receipts

Federal

Current Fund	\$ 1,353,543.36
Trust Other Fund	21,250.00
General Capital Fund	<u>944,834.00</u>
	\$ <u>2,319,627.36</u>

Expenditures

Federal

Current Fund	\$ 2,640,716.00
Trust Other Fund	17,250.00
General Capital Fund	<u>1,239,259.00</u>
	\$ <u>3,897,225.00</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

Expenditures reported against the Public Assistance Disaster Grant are reported at 90% of the approved project costs. All costs reported on this grant occurred in 2021.

TOWNSHIP OF CRANFORD
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| (1) Type of Auditor Report Issued: | Unmodified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Material weaknesses identified? | No |
| (b) Significant deficiencies that are not considered to be material weaknesses? | No |
| (3) Noncompliance material to the financial statements to be noted during the audit? | No |

Federal Programs(s)

- | | |
|---|------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Material weaknesses identified during the audit? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule? | No |

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Assistance Listing</u>
ARP - State and Local Fiscal Recovery Funds	21.027
FEMA - Public Assistance	97.036

- (5) Program Threshold Determination:
- | |
|--|
| Type A Federal Program Threshold > \$750,000.00 |
| Type B Federal Program Threshold <= \$750,000.00 |

TOWNSHIP OF CRANFORD
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditor's Results (Continued)

Federal Programs(s) (Continued)

(6) Auditee qualified as a low-risk auditee under the Uniform Guidance? No

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported.

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major Federal Programs

Federal Programs - None Reported

Status of Prior Year Audit Findings - Not Applicable

THIS PAGE INTENTIONALLY LEFT BLANK

PART III

TOWNSHIP OF CRANFORD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 4,500,000.00	3.43%	\$ 3,300,000.00	2.59%
Miscellaneous - From Other Than Local				
Property Tax Levies	15,360,854.81	11.72%	12,566,084.60	9.87%
Collection of Delinquent Taxes and Tax Title Liens	467,497.73	0.36%	955,134.93	0.75%
Collection of Current Tax Levy	110,779,472.57	84.49%	110,452,502.81	86.78%
<u>TOTAL INCOME</u>	<u>131,107,825.11</u>	<u>100.00%</u>	<u>127,273,722.34</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	41,964,083.27	33.14%	38,481,117.69	31.19%
County Taxes	22,264,323.97	17.58%	23,214,011.51	18.82%
Local School Taxes	62,221,969.00	49.14%	61,498,245.00	49.85%
Other Expenditures	178,684.99	0.14%	178,854.00	0.14%
<u>TOTAL EXPENDITURES</u>	<u>126,629,061.23</u>	<u>100.00%</u>	<u>123,372,228.20</u>	<u>100.00%</u>
Excess in Revenue	4,478,763.88		3,901,494.14	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are Deferred Charges to Budget of Succeeding Year			500,000.00	
Regulatory Excess to Fund Balance	4,478,763.88		4,401,494.14	
Fund Balance, January 1	7,739,854.92		6,638,360.78	
	1,435,000.00		11,039,854.92	
Less: Utilization as Anticipated Revenue	4,500,000.00		3,300,000.00	
Fund Balance, December 31	\$ <u>7,718,618.80</u>		\$ <u>7,739,854.92</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - SWIM POOL UTILITY FUND

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Collection of Membership Fees	\$ 1,190,677.09	77.38%	\$ 974,250.84	51.20%
Miscellaneous	257,189.91	16.71%	180,113.98	9.47%
Miscellaneous-From Other Than Pool Receipts	90,947.08	5.91%	748,286.01	39.33%
<u>TOTAL INCOME</u>	<u>1,538,814.08</u>	<u>100.00%</u>	<u>1,902,650.83</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	1,555,316.00	55.47%	1,114,419.00	88.80%
Municipal Debt Service	1,179,150.86	42.05%	70,000.00	5.58%
Deferred Charges and Statutory Expenditures	69,524.56	2.48%	70,487.41	5.62%
<u>TOTAL EXPENDITURES</u>	<u>2,803,991.42</u>	<u>100.00%</u>	<u>1,254,906.41</u>	<u>100.00%</u>
Excess in Revenue	385,814.08		663,345.55	
Regulatory Excess to Surplus	385,814.08			
Fund Balance, January 1	664,862.87		1,517.32	
	1,050,676.95		664,862.87	
Decreased by:				
Utilization by Swim Pool Operating Budget	550,679.00			
Fund Balance, December 31	\$ <u>499,997.95</u>		\$ <u>664,862.87</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$6.612</u>	<u>\$6.583</u>	<u>\$6.562</u>
Apportionment of Tax Rate:			
Municipal	1.473	1.427	1.408
Library	0.097	0.094	0.095
County	1.321	1.378	1.438
Local School	3.721	3.684	3.621

Assessed Valuation:

2022	<u>\$1,672,467,464.00</u>	
2021	<u>\$1,669,462,618.00</u>	
2020		<u>\$1,665,559,717.00</u>

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.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTION</u>	<u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2022	\$111,555,688.11	\$110,779,472.57	99.30%
2021	111,019,675.90	110,452,502.81	99.48%
2020	110,284,671.85	109,319,080.09	99.12%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2022	\$9,707.30	\$713,719.05	\$723,426.35	0.65%
2021	7,255.11	468,059.39	475,314.50	0.43%
2020	136,501.00	810,519.92	947,020.92	0.86%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31,</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2022	\$7,718,618.80	\$4,981,000.00
	2021	7,739,854.92	4,500,000.00
	2020	6,638,360.78	3,300,000.00
	2019	7,923,835.15	2,950,000.00
	2018	7,148,316.64	2,950,000.00
	<u>YEAR</u>	<u>BALANCE DECEMBER 31,</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Swim Pool Utility Fund	2022	\$499,997.95	\$149,201.00
	2021	664,862.87	550,679.00
	2020	1,517.32	-0-
	2019	1,517.32	-0-
	2018	47,628.32	46,111.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Kathleen Miller Prunty	Mayor	*
Brian Andrews	Deputy Mayor	*
Jason Gareis	Commissioner	*
Mary O'Connor	Commissioner	*
Gina Black	Commissioner	*
Jamie Cryan	Township Administrator	*
Lavona Patterson	CFO	*
Karyn Kinane	Tax Collector	*
Patricia Donahue	Township Clerk	*
Ashley Kurbanoglu	Deputy Township Clerk	*
Paul Kobliska	Electrical Subcode Official	*
Ryan Cooper	Township Attorney	*
Frank Genova	Construction Official	*
Kathleen Nemeth	Zoning Officer	*
Christian Jessen	Plumbing Subcode Official	*
Bryan Flynn	Tax Assessor	*
Stephen Robertazzi	Director of Parks/Recreation	*
Mark Cassidy	Magistrate	*
Lorraine Powell	Court Administrator	*
Beth Ann Marotta	Deputy Court Administrator	*
Norman Albert Esq.	Prosecutor	*
Ryan Greco	Police Chief	*
Daniel Czeh	Fire Chief	*

*Covered by \$1,000,000.00 under Statewide Insurance Fund

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Township appointed a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00.

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

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

- Vehicles
- Road/Sidewalk Improvements
- Riverside Drive Rehabilitation
- Animal Control Services
- Flood Mitigation
- Holiday Decorations
- Drainage Improvements

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.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were advertised during 2022 for the following professional services:

- Auditor
- Attorney/Legal
- Architect
- Engineer
- Planning

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 2, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"BE IT RESOLVED by the Governing Body of the Township of Cranford that the rate of interest on delinquent taxes and assessments owed to the said Township of Cranford, be and it hereby is set at eight percent (8%) on the first One Thousand Five Hundred Dollars (\$1,500.00) of taxes due and eighteen percent (18%) of any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). Such interest shall not be charged, however, on payments made within ten (10) days from the due date."

"BE IT FURTHER RESOLVED there will be a six percent (6%) penalty on delinquency of Ten Thousand Dollars (\$10,000.00) or more at the end of the calendar year."

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on November 16, 2022 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2022	1
2021	1
2020	3

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

GENERAL COMMENTS (CONTINUED)

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 the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2023 Taxes	25
Payments of 2022 Taxes	25
Delinquent Taxes	10

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None

