

TOWNSHIP OF MILLSTONE

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2020**

**TOWNSHIP OF MILLSTONE
COUNTY OF MONMOUTH**

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**TOWNSHIP OF MILLSTONE
COUNTY OF MONMOUTH**

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**TOWNSHIP OF MILLSTONE
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Millstone as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

As described in Note 1, the financial statements are prepared by the Township of Millstone on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2020 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the Township is presenting the most recent information available with regards to *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental schedules presented for the various

funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

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

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 1, 2021 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
September 1, 2021

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Millstone, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 1, 2021. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

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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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
September 1, 2021

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

ASSETS	REFERENCE	2020	2019
Regular Fund:			
Cash - Treasurer	A-4	\$ 16,602,916.11	\$ 15,963,941.07
Change Funds	A-6	1,000.00	1,000.00
Due from State of New Jersey - Senior Citizen & Veteran Deductions	A-7	1,500.00	1,500.00
Total		<u>16,605,416.11</u>	<u>15,966,441.07</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	561,960.27	603,843.50
Tax Title Liens Receivable	A-9	321,999.75	308,575.24
Interfund Receivable	A	310,867.63	-
Revenue Accounts Receivable	A-10	1,184.26	4,040.59
Total Receivable & Other Assets With Full Reserves		<u>1,196,011.91</u>	<u>916,459.33</u>
Total Regular Fund		<u>17,801,428.02</u>	<u>16,882,900.40</u>
Federal & State Grant Fund:			
Cash	A-4	28,045.59	19,833.70
Federal & State Grants Receivable	A-17	13,986.64	23,033.50
Total Federal & State Grants		<u>42,032.23</u>	<u>42,867.20</u>
		<u>\$ 17,843,460.25</u>	<u>\$ 16,925,767.60</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2020	2019
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 437,413.17	\$ 63,279.79
Accounts Payable	A	13,600.54	8,661.50
Due to State of New Jersey:			
Construction Fees	A	11,144.00	10,934.00
Marriage License Fees	A	325.00	325.00
Reserve for Encumbrances	A-3	234,480.19	199,028.42
Prepaid Taxes	A-12	400,376.38	276,943.99
Tax Overpayments	A-13	3,117.64	15,119.39
Due County for Added & Omitted Taxes	A-15	35,001.60	17,677.91
Local District School Tax Payable	A-16	14,357,712.50	14,105,846.50
Total Liabilities		<u>15,493,171.02</u>	<u>14,697,816.50</u>
Reserve for Receivables & Other Assets	A	1,196,011.91	916,459.33
Fund Balance	A-1	1,112,245.09	1,268,624.57
Total Regular Fund		<u>17,801,428.02</u>	<u>16,882,900.40</u>
State & Federal Grants:			
Encumbrance Payable	A-18	1,475.02	28,729.34
Reserve for Federal & State Grants:			
Appropriated	A-18	40,557.21	14,137.86
Total State & Federal Grants		<u>42,032.23</u>	<u>42,867.20</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 17,843,460.25</u>	<u>\$ 16,925,767.60</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	2020	2019
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 750,000.00	\$ 600,000.00
Miscellaneous Revenue Anticipated	2,528,709.96	2,610,341.35
Receipts From Delinquent Taxes	603,831.33	421,829.86
Receipts from Current Taxes	44,629,310.91	43,437,934.02
Nonbudget Revenues	78,569.16	21,436.45
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	61,294.06	125,221.43
Total Income	48,651,715.42	47,216,763.11
Expenditures:		
Budget Appropriations:		
Within "CAPS":		
Operations Within "CAPS":		
Salaries and Wages	1,628,250.00	1,591,450.00
Other Expenses	2,526,757.00	2,298,160.00
Deferred Charges & Statutory Expenditures - Municipal	287,639.00	288,540.00
Excluded from "CAPS":		
Operations Excluded from "CAPS":		
Salaries and Wages	5,200.00	5,200.00
Other Expenses	320,657.15	128,437.92
Municipal Debt Service	1,158,874.81	1,356,818.63
Capital Improvements	197,500.00	60,500.00
County Taxes	5,722,436.39	5,590,573.93
Due County for Added and Omitted Taxes	35,000.36	17,676.91
Local District School Taxes	32,715,425.00	32,211,693.00
Municipal Open Space Tax	1,129,719.44	1,129,849.30
Fire District Taxes	2,014,210.00	1,840,386.00
Prior Year Senior Citizens & Vets	-	500.00
Interfund Advances	316,425.75	-
Total Expenditures	48,058,094.90	46,519,785.69
Excess in Revenue	593,620.52	696,977.42
Fund Balance January 1	1,268,624.57	1,171,647.15
Total	1,862,245.09	1,868,624.57
Decreased by:		
Utilized as Anticipated Revenue	750,000.00	600,000.00
Fund Balance December 31	\$ 1,112,245.09	\$ 1,268,624.57

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	ADOPTED BUDGET	ADDED BY N.J.S.40A:4-87	REALIZED	EXCESS (DEFICIT)
Surplus Anticipated	\$ 750,000.00	\$ -	\$ 750,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00	-	-	(10,000.00)
Fees & Permits	34,000.00	-	40,539.53	6,539.53
Fines & Costs:				
Municipal Court	53,000.00	-	28,724.35	(24,275.65)
Interest on Costs & Taxes	95,000.00	-	162,181.13	67,181.13
Interest on Investments & Deposits	400,000.00	-	331,311.77	(68,688.23)
Interlocal Service Agreement:				
Roosevelt Court Fees	6,000.00	-	6,000.00	-
Garden State Trust Fund	31,171.00	-	20,207.00	(10,964.00)
Uniform Construction Code Fees	450,000.00	-	511,317.00	61,317.00
Energy Receipts Tax	821,546.00	-	821,546.00	-
Cable Franchise Fees	98,680.00	-	98,680.00	-
Verizon Franchise Fees	53,000.00	-	53,327.72	327.72
Telecommunications Tower Lease	41,000.00	-	42,785.68	1,785.68
Reserve for Payment of Debt	176,382.63	-	176,382.63	-
General Capital Fund Balance	175,000.00	-	175,000.00	-
Public & Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	-	10,181.13	10,181.13	-
Clean Communities Program	-	37,473.54	37,473.54	-
Alcohol Education & Rehab Grant	-	583.48	583.48	-
Municipal Alliance on Alcoholism & Drug Abuse	-	12,469.00	12,469.00	-
Total Revenues	<u>2,444,779.63</u>	<u>60,707.15</u>	<u>2,528,709.96</u>	<u>23,223.18</u>
Receipts from Delinquent Taxes	370,000.00	-	603,831.33	233,831.33
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>3,319,260.78</u>	<u>-</u>	<u>3,737,519.72</u>	<u>418,258.94</u>
Budget Totals	6,884,040.41	60,707.15	7,620,061.01	675,313.45
Nonbudget Revenues	<u>-</u>	<u>-</u>	<u>78,569.16</u>	<u>78,569.16</u>
Total	<u>\$ 6,884,040.41</u>	<u>\$ 60,707.15</u>	<u>\$ 7,698,630.17</u>	<u>\$ 753,882.61</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 44,629,310.91
Allocated to School, County, Fire District & Local Open Space Taxes	<u>41,616,791.19</u>
Balance of Support of Municipal Budget Appropriations	3,012,519.72
Add: Appropriation "Reserve for Uncollected Taxes"	<u>725,000.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 3,737,519.72</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u>603,831.33</u>
Total Receipts from Delinquent Taxes	<u><u>603,831.33</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Treasurer:	
Penalties	\$ 10,744.32
Miscellaneous	<u>67,824.84</u>
Total	<u><u>\$ 78,569.16</u></u>

**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
GENERAL GOVERNMENT:						
Mayor & Township Committee:						
Salaries and Wages	\$ 36,000.00	36,000.00	\$ 35,769.00	\$ -	\$ 231.00	\$ -
Other Expenses	700.00	700.00	179.52	-	520.48	-
General Administration:						
Salaries and Wages	115,000.00	115,000.00	113,047.38	-	1,952.62	-
Other Expenses	78,500.00	97,700.00	54,950.65	13,436.10	29,313.25	-
Municipal Clerk:						
Salaries and Wages	85,000.00	67,000.00	65,222.87	-	1,777.13	-
Other Expenses	10,300.00	10,600.00	9,010.49	1,162.12	427.39	-
Financial Administration:						
Salaries and Wages	130,000.00	110,000.00	100,169.40	-	9,830.60	-
Other Expenses	92,000.00	111,800.00	98,019.86	11,519.80	2,260.34	-
Audit Services:						
Other Expenses	30,000.00	30,000.00	30,000.00	-	-	-
Collection of Taxes:						
Salaries and Wages	64,500.00	64,500.00	59,124.43	-	5,375.57	-
Other Expenses	8,205.00	10,645.00	8,481.85	-	2,163.15	-
Assessment of Taxes:						
Salaries and Wages	96,000.00	96,000.00	95,763.20	-	236.80	-
Other Expenses	7,125.00	7,125.00	4,295.89	2,829.11	-	-
Legal Services & Costs:						
Other Expenses	110,000.00	115,000.00	97,417.45	8,651.99	8,930.56	-
Engineering Services & Costs:						
Other Expenses	25,000.00	25,000.00	18,392.50	-	6,607.50	-
Historical Preservation Committee:						
Other Expenses	5,450.00	5,450.00	2,093.26	3,304.24	52.50	-
Veterans Memorial Committee:						
Other Expenses	1,450.00	1,450.00	1,300.98	-	149.02	-
Open Space Farmland Preservation Council:						
Salaries and Wages	65,000.00	65,000.00	63,381.28	-	1,618.72	-
Other Expenses	6,500.00	3,500.00	2,435.92	-	1,064.08	-
Friends Group:						
Other Expenses	5,000.00	5,000.00	-	5,000.00	-	-
Agricultural:						
Other Expenses	5,360.00	4,155.00	3,300.09	168.49	686.42	-
Municipal Land Use Law (N.J.S. 40:55D-1):						
Planning Board:						
Salaries and Wages	26,200.00	26,200.00	26,109.98	-	90.02	-
Other Expenses	27,800.00	37,000.00	34,137.86	2,733.30	128.84	-
Zoning Board of Adjustment:						
Salaries and Wages	26,200.00	26,200.00	26,109.98	-	90.02	-
Other Expenses	9,500.00	9,500.00	4,338.22	2,185.00	2,976.78	-
Affordable Housing (COAH Admin)	5,000.00	-	-	-	-	-
INSURANCE:						
Liability Insurance	116,500.00	93,000.00	92,421.69	-	578.31	-
Worker's Compensation Insurance	84,222.00	84,222.00	84,222.00	-	-	-
Employee Group Health Insurance	634,000.00	634,000.00	547,362.25	29,453.16	57,184.59	-
Employee Group Insurance Waiver	12,000.00	13,500.00	13,500.00	-	-	-
Unemployment Insurance	9,000.00	9,000.00	7,678.49	-	1,321.51	-
PUBLIC SAFETY FUNCTIONS						
Emergency Management Service:						
Other Expenses	2,500.00	2,500.00	307.06	-	2,192.94	-
First Aid Organization:						
Contribution	28,500.00	28,500.00	17,500.00	-	11,000.00	-
Public Defender:						
Other Expenses	6,500.00	6,500.00	6,500.00	-	-	-
Municipal Prosecutor:						
Other Expenses	23,000.00	23,000.00	23,000.00	-	-	-

**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
PUBLIC WORKS FUNCTIONS						
Streets & Roads:						
Salaries and Wages	530,000.00	502,250.00	450,200.78	-	52,049.22	-
Other Expenses	141,000.00	168,400.00	93,523.46	63,017.55	11,858.99	-
Shade Tree Commission:						
Other Expenses	6,300.00	1,300.00	521.76	95.00	683.24	-
Sanitation:						
Salaries and Wages	44,000.00	44,000.00	33,633.55	-	10,366.45	-
Other Expenses	271,300.00	271,300.00	269,407.43	1,177.57	715.00	-
Buildings & Grounds:						
Salaries and Wages	33,200.00	33,200.00	32,133.75	-	1,066.25	-
Other Expense	69,375.00	79,375.00	65,318.62	12,440.47	1,615.91	-
Vehicle Maintenance:						
Other Expense	74,000.00	74,000.00	32,998.59	28,101.53	12,899.88	-
HEALTH & HUMAN SERVICES						
Senior Transportation:						
Other Expenses	11,500.00	11,500.00	6,045.00	1,713.00	3,742.00	-
Environmental Commission:						
Salaries and Wages	2,400.00	2,400.00	1,900.00	-	500.00	-
Other Expenses	2,500.00	2,500.00	911.67	128.95	1,459.38	-
PARKS & RECREATION FUNCTIONS:						
Recreation Commission:						
Salaries and Wages	44,000.00	44,000.00	39,425.71	-	4,574.29	-
Other Expenses	1,000.00	1,000.00	510.95	-	489.05	-
Maintenance of Parks:						
Other Expenses	63,000.00	63,000.00	61,527.00	797.00	676.00	-
Municipal Court:						
Salaries and Wages	97,000.00	97,000.00	95,222.53	-	1,777.47	-
Other Expenses	24,000.00	20,000.00	9,202.37	9,396.00	1,401.63	-
LOSAP:						
Other Expenses	-	6,000.00	-	-	6,000.00	-
EDUCATION FUNCTIONS:						
Contribution to Municipal Library	250.00	250.00	250.00	-	-	-
UTILITY EXPENSES:						
Electricity	59,000.00	59,000.00	39,362.08	4,794.42	14,843.50	-
Street Lighting	95,000.00	95,000.00	80,248.71	7,244.26	7,507.03	-
Telephone	33,000.00	33,000.00	28,399.06	2,569.98	2,030.96	-
Natural Gas	24,000.00	27,800.00	24,006.35	3,793.65	-	-
Gasoline	30,000.00	30,000.00	15,248.94	14,268.29	482.77	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Landfill Tipping Fees						
Other Expenses	20,700.00	20,905.00	20,796.30	-	108.70	-
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C.5:23-4.17):						
State Uniform Construction Code:						
Construction:						
Salaries and Wages	260,000.00	260,000.00	233,779.41	-	26,220.59	-
Other Expenses:						
Direct Costs	176,500.00	171,060.00	92,874.59	4,499.21	73,686.20	-
Indirect Costs	18,000.00	18,000.00	18,000.00	-	-	-
Other Code Enforcement:						
Salaries and Wages	39,500.00	39,500.00	39,221.00	-	279.00	-
Other Expenses	4,520.00	4,520.00	843.90	-	3,676.10	-
Total Operations Within "CAPS"	4,163,057.00	4,155,007.00	3,531,057.06	234,480.19	389,469.75	-
Detail:						
Salaries and Wages	1,694,000.00	1,628,250.00	1,510,214.25	-	118,035.75	-
Other Expenses	2,469,057.00	2,526,757.00	2,020,842.81	234,480.19	271,434.00	-
DEFERRED CHARGES & STATUTORY EXPENDITURES						
MUNICIPAL - WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	159,639.00	159,639.00	159,639.00	-	-	-
Social Security System (O.A.S.I)	115,000.00	116,000.00	115,523.47	-	476.53	-
Defined Contribution Retirement Program	9,000.00	12,000.00	11,518.11	-	481.89	-

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Total Statutory Expenditures	283,639.00	287,639.00	286,680.58	-	958.42	-
Total General Appropriations Within "CAPS"	4,446,696.00	4,442,646.00	3,817,737.64	234,480.19	390,428.17	-
OPERATIONS EXCLUDED FROM "CAPS":						
County of Monmouth- 911 Service	25,500.00	25,550.00	25,539.00	-	11.00	-
Length of Service Awards Program (LOSAP):						
Other Expenses	100.00	100.00	-	-	100.00	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:						
Municipal Court:						
Salaries and Wages	5,200.00	5,200.00	5,200.00	-	-	-
Other Expenses	800.00	800.00	-	-	800.00	-
Animal Control Services:						
Other Expenses	24,500.00	24,500.00	24,062.00	-	438.00	-
Interlocal Fire Department:						
Other Expenses	200,000.00	204,000.00	203,956.00	-	44.00	-
APPROPRIATIONS:						
Municipal Alliance on Alcoholism & Drug Abuse:						
State Share	-	12,469.00	12,469.00	-	-	-
Township Share	5,000.00	5,000.00	5,000.00	-	-	-
Alcohol Education and Rehabilitation Grant	-	583.48	583.48	-	-	-
Recycling Tonnage Grant	-	10,181.13	10,181.13	-	-	-
Clean Communities Program	-	37,473.54	37,473.54	-	-	-
Total Operations	261,100.00	325,857.15	324,464.15	-	1,393.00	-
Total Operations Including Contingent	261,100.00	325,857.15	324,464.15	-	1,393.00	-
Detail:						
Salaries and Wages	5,200.00	5,200.00	5,200.00	-	-	-
Other Expenses	255,900.00	320,657.15	319,264.15	-	1,393.00	-
Capital Improvements:						
Capital Improvement Fund	147,500.00	147,500.00	147,500.00	-	-	-
Emergency IT/Communications Capital Items	50,000.00	50,000.00	4,408.00	-	45,592.00	-
Total Capital Improvements	197,500.00	197,500.00	151,908.00	-	45,592.00	-
Municipal Debt Service:						
Payment of Bond Principal	695,000.00	695,000.00	695,000.00	-	-	-
Payment of Bond Anticipation Notes	9,810.13	9,810.13	9,810.13	-	-	-
Interest on Bonds	298,600.00	298,600.00	298,591.46	-	-	8.54
Interest on Notes	250,334.28	250,334.28	155,473.22	-	-	94,861.06
Total Municipal Debt Service	1,253,744.41	1,253,744.41	1,158,874.81	-	-	94,869.60
Subtotal General Appropriations	6,159,040.41	6,219,747.56	5,452,984.60	234,480.19	437,413.17	94,869.60
Reserve for Uncollected Taxes	725,000.00	725,000.00	725,000.00	-	-	-
Total General Appropriations	<u>\$ 6,884,040.41</u>	<u>\$ 6,944,747.56</u>	<u>\$ 6,177,984.60</u>	<u>\$ 234,480.19</u>	<u>\$ 437,413.17</u>	<u>\$ 94,869.60</u>

Budget	\$ 6,884,040.41
Appropriation by 40A:4-87	<u>60,707.15</u>
Total	<u>\$ 6,944,747.56</u>

Reserve for State & Federal Grants Appropriated	\$ 65,707.15
Reserve for Uncollected Taxes	725,000.00
Reimbursements	(186,274.02)
Disbursed	<u>5,573,551.47</u>
Total	<u>\$ 6,177,984.60</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

ASSETS	REFERENCE	2020	2019
Animal Control Trust Fund:			
Cash	B-1	\$ 12,316.51	\$ 15,521.61
Total Animal Control Trust Fund		<u>12,316.51</u>	<u>15,521.61</u>
Other Funds:			
Cash - Treasurer	B-1	7,847,295.77	6,303,955.98
Open Space Grant Receivable	B-6	<u>1,323,322.82</u>	<u>1,756,322.82</u>
Total Other Funds		<u>9,170,618.59</u>	<u>8,060,278.80</u>
Length of Service Awards Program Fund (LOSAP) :			
Funds Held by Trustee	B-5	<u>418,963.54</u>	<u>398,755.34</u>
Total Assets		<u>\$ 9,601,898.64</u>	<u>\$ 8,474,555.75</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2020	2019
Animal Control Trust Fund:			
Reserve for Animal Fund Expenditures	B-2	\$ 10,544.43	\$ 15,482.01
Reserve for Encumbrances	B-2	1,707.88	-
Due to State	B-3	64.20	39.60
Total Animal Control Trust Fund		12,316.51	15,521.61
Other Funds:			
Reserve for Self Insurance	B-4	8,005.18	23,394.95
Reserve for Storm Recovery Trust	B-4	89,305.95	51,477.53
Reserve for Basin Maintenance	B-4	94,612.88	96,773.72
Reserve for Mt. Laurel Special	B-4	3,705.96	2,580.96
Reserve for Stavola Asphalt	B-4	3,393.95	2,393.95
Reserve for POAA	B-4	81.00	81.00
Reserve for Public Defender	B-4	550.00	200.00
Reserve for Builders Escrow Over \$5,000	B-4	628,558.83	623,254.31
Reserve for Builders Escrow Under \$5,000	B-4	129,443.43	128,488.13
Reserve for COAH	B-4	781,376.17	12,475.35
Reserve for Municipal Open Space	B-4	4,824,009.72	4,482,340.97
Reserve for Municipal Alliance	B-4	3,348.65	3,473.65
Reserve for Recreation	B-4	446,503.44	476,931.85
Reserve for Tax Sale Premium	B-4	806,500.00	368,700.00
Reserve for Veterans Memorial	B-4	3,597.61	7,086.61
Reserve for Shade Tree	B-4	24,303.00	24,303.00
Reserve for Open Space Receivable	B-6	1,323,322.82	1,756,322.82
Total Other Funds		9,170,618.59	8,060,278.80
Length of Service Awards Program Fund			
LOSAP:			
Reserve for Length of Services Awards Program (LOSAP)	B-5	418,963.54	398,755.34
Total Liabilities, Reserves & Fund Balance		\$ 9,601,898.64	\$ 8,474,555.75

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 And 2019**

ASSETS	REFERENCE	2020	2019
Cash	C-2, C-3	\$ 14,836,675.24	\$ 1,198,954.22
DOT Grant Receivable	C-4	101,250.00	287,500.00
Deferred Charges to Future Taxation:			
Funded	C-5	22,690,000.00	12,180,000.00
Unfunded	C-6	419,654.00	12,420,942.20
Total Assets		\$ 38,047,579.24	\$ 26,087,396.42
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-11	\$ 22,690,000.00	\$ 12,180,000.00
Bond Anticipation Notes	C-10	11,660,000.00	10,835,079.00
Capital Improvement Fund	C-7	8,836.08	136.08
Improvement Authorizations:			
Funded	C-8	817,004.56	126,926.48
Unfunded	C-8	414,407.00	1,038,735.85
Reserve for Encumbrances	C-8	2,055,078.24	1,529,466.14
Preliminary Costs Payable	C-9	215.91	215.91
Reserve for Debt Service	C-12	-	176,382.63
Interfunds Payable	C	310,867.63	-
Fund Balance	C-1	91,169.82	200,454.33
Total Liabilities, Reserves & Fund Balance		\$ 38,047,579.24	\$ 26,087,396.42

There were bonds and notes authorized but not issued on December 31, 2020 of \$419,654.00 and on December 31, 2019 was \$1,585,863.20 (Schedule C-13).

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 200,454.33
Increased by:		
Premium on Sale of Notes	\$ 65,660.49	
Cancel Improvement Authorizations	<u>55.00</u>	
		<u>65,715.49</u>
Subtotal		266,169.82
Decreased by:		
Appropriated in Current Fund Budget		<u>175,000.00</u>
Balance December 31, 2020		<u><u>\$ 91,169.82</u></u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF MILLSTONE
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS AND
FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

ASSETS	2020	2019
Land & Land Improvements	\$ 14,353,168.07	\$ 14,353,168.07
Buildings	5,878,758.87	5,878,758.87
Improvement Other Than Buildings	9,184,860.62	9,184,860.62
Machinery & Equipment	2,739,778.19	2,696,424.81
Total	\$ 32,156,565.75	\$ 32,113,212.37
FUND BALANCE		
Investment in General Fixed Assets	\$ 32,156,565.75	\$ 32,113,212.37

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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**TOWNSHIP OF MILLSTONE
COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The municipality was formed and incorporated by an act of legislation on February 28, 1844. It contains a grand total of 23,700 acres or 37.36 miles of rolling countryside located in the heart of New Jersey.

The Millstone Township Committee is made up of five elected officials. Township residents elect a new committee-person every 3 years on the first Tuesday after the first Monday in November. At the Reorganization meeting each year (first meeting in January), the committee elects a Mayor and Deputy Mayor, each of whom serve a term of one year or until the election and qualification of a successor.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80 and 90, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80 and 90.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

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

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

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

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Open Space Tax Levy, Fire District and Millstone Township School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Millstone Township School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

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

Compensated Absences – Expenditures relating to obligations for unused sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The following GASB Statements became effective for the fiscal year ended December 31, 2020:

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Management has determined that the implementation of these Statements did not have a significant impact on the Township's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2020, the Township's bank balance of \$39,304,386.61 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 31,424,834.69
Uninsured and Uncollateralized	<u>7,879,551.92</u>
	<u><u>\$ 39,304,386.61</u></u>

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 2. Deposits and Investments (continued):

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township’s financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township’s fair value, hierarchy level and maturities of its investments at December 31, 2020 would be as followed:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2020</u>		<u>Investment Maturities</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Mutual Funds	\$ 260,616.38	\$ 260,616.38	\$ 260,616.38	\$ 260,616.38
Fixed Account Investment Contract	158,347.16	158,347.16	158,347.16	158,347.16
	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>
 <u>Fund</u>				
Trust Fund - LOSAP	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>
	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>	<u>\$ 418,963.54</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 2. Deposits and Investments (continued):

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township’s investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township’s investments are in Mutual Funds and Fixed Account Investment Contracts. These investments represent 100% of the Township’s total investments.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 2.387</u>	<u>\$ 2.342</u>	<u>\$ 2.284</u>
Apportionment of Tax Rate:			
Municipal	0.177	0.167	0.139
County General	0.304	0.299	0.302
Local School	1.739	1.717	1.684
Fire District	0.107	0.099	0.099
Municipal Open Space	0.060	0.060	0.060

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 1,881,791,531.00
2019	1,875,523,218.00
2018	1,869,886,726.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2020	\$ 45,236,120.22	\$ 44,629,310.91	98.66%
2019	44,077,875.89	43,437,934.02	98.55%
2018	42,913,592.93	42,471,866.75	98.98%

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 3. Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2020	\$ 321,999.75	\$ 561,960.27	\$ 883,960.02	1.95%
2019	308,575.24	603,843.50	912,418.74	2.07%
2018	293,233.27	421,485.94	714,719.21	1.67%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2020	15
2019	7
2018	7

The last tax sale was held on December 3, 2020.

Note 4: Property Acquired By Tax Title Lien Liquidation

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2020, 2019 or 2018.

Note 5. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2020	\$ 1,112,245.09	\$ 929,000.00	83.52%
2019	1,268,624.57	750,000.00	59.12%
2018	1,171,647.15	600,000.00	51.21%

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 7. Interfund Receivables, Payables and Transfers

There were the following individual fund receivable/payable balances at December 31, 2020.

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 310,867.63	\$ -
Capital Fund	-	310,867.63
	\$ 310,867.63	\$ 310,867.63

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020.

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2020</u>
Capital Assets Not Being Depreciated				
Land	\$ 14,353,168.07	\$ -	\$ -	\$ 14,353,168.07
Buildings	5,878,758.87	-	-	5,878,758.87
Improvements Other than Buildings	9,184,860.62	-	-	9,184,860.62
Machinery & Equipment	2,696,424.81	263,811.38	220,458.00	2,739,778.19
	\$ 32,113,212.37	\$ 263,811.38	\$ 220,458.00	\$ 32,156,565.75

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - 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 insurance benefits is based on actual claims paid. For the fiscal year 2020, 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. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Township's contractually required contribution to PERS plan was \$177,636.00.

Components of Net Pension Liability - At December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$2,648,000.00. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was 0.0162380430% which was a decrease of .0000826224% from its proportion measured as of June 30, 2019.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 259,531	\$ 425,147
Deferred Inflows of Resources	1,276,986	1,307,392
Net Pension Liability	2,648,000	2,940,736
Township's portion of the Plan's total Net Pension Liability	0.01624%	0.01632%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$20,112.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$177,636.00 to the plan in 2020.

At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 48,216	\$ 9,364
Changes of Assumptions	85,904	1,108,743
Net Difference between Projected and Actual Earnings on Pension Plan Investments	90,511	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>34,900</u>	<u>158,879</u>
	<u>\$ 259,531</u>	<u>\$ 1,276,986</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2021	\$ (320,200)
2022	(334,474)
2023	(240,893)
2024	(106,168)
2025	<u>(15,720)</u>
	<u>\$ (1,017,455)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

Sensitivity of the 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 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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 3,359,602	\$ 2,648,000	\$ 2,082,677

Note 10. Postemployment Benefits Other Than Pensions

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

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

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

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

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Township's as of June 30, 2019 was \$5,329,702.00. The Township's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Township was based on projection of the State's long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Township was 0.0393450024%, which was an increase of 0.0007209998% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(36,602.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Township. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Actuarial assumptions used in the July 1, 2018 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.

Health Care Trend Assumptions

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Township	\$ 6,162,491.32	\$ 5,329,702.00	\$ 4,652,950.61
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	13,546,071,100.00	11,826,026,995.00

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

The following presents the net OPEB liability as of June 30, 2019, 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:

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Township	\$ 4,497,611.68	\$ 5,329,702.00	\$ 6,391,173.28
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	13,546,071,100.00	16,243,926,531.00

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2019:

Collective Balances at December 31, 2019 and December 31, 2018

	12/31/2019	12/31/2018
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Collective Deferred Outflows of Resources	\$ 11,158,226.00	\$ 8,279,239.00
Collective Deferred Inflows of Resources	8,761,825,481.00	7,154,925,195.00
Collective Net OPEB Liability	13,546,071,100.00	15,666,618,141.00
Township's Portion	0.039345%	0.038624%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2020	\$ (1,425,201,517.00)
2021	(1,425,201,517.00)
2022	(1,426,076,187.00)
2023	(1,427,489,995.00)
2024	(1,428,781,861.00)
Thereafter	<u>(1,617,916,178.00)</u>
	<u>\$ (8,750,667,255.00)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	June 30, 2018
Active Plan Members	63,032
Retirees Currently Receiving Benefits	27,871
Total Plan Members	90,903

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

Service Cost	\$ 666,574,660.00
Interest on the Total OPEB Liability	636,082,461.00
Change of Benefit Terms	(1,903,958.00)
Differences Between Expected and Actual Experience	(1,399,921,930.00)
Changes of Assumptions	(1,635,760,217.00)
Contributions From the Employer	(346,415,056.00)
Contributions From Non-Employer Contributing Entity	(43,854,500.00)
Net Investment Income	(4,826,936.00)
Administrative Expense	9,478,435.00
Net Change in Total OPEB Liability	(2,120,547,041.00)
Total OPEB Liability (Beginning)	15,666,618,141.00
Total OPEB Liability (Ending)	\$ 13,546,071,100.00

*Note that the information presented above is in accordance with Local Finance Notice 2021-10, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 34,350,000.00	\$ 23,015,079.00	\$ 22,674,000.00
Total Debt Issued	<u>34,350,000.00</u>	<u>23,015,079.00</u>	<u>22,674,000.00</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	419,654.00	1,585,863.20	1,851,863.20
Total Authorized But Not Issued	<u>419,654.00</u>	<u>1,585,863.20</u>	<u>1,851,863.20</u>
Total Gross Debt	<u>\$ 34,769,654.00</u>	<u>\$ 24,600,942.20</u>	<u>\$ 24,525,863.20</u>
Deductions:			
General:			
Deductions Applicable to Other Bonds and Notes			
Funds on Hand	\$ 11,660,000.00	\$ 176,382.63	\$ -
Accounts Receivable from Public Authorities	20,120,000.00	8,915,000.00	9,105,000.00
Total Deductions	<u>31,780,000.00</u>	<u>9,091,382.63</u>	<u>9,105,000.00</u>
Total Net Debt	<u>\$ 2,989,654.00</u>	<u>\$ 15,509,559.57</u>	<u>\$ 15,420,863.20</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 22,343,058.60	\$ 22,343,058.60	\$ -
General Debt	34,769,654.00	31,780,000.00	2,989,654.00
	<u>\$ 57,112,712.60</u>	<u>\$ 54,123,058.60</u>	<u>\$ 2,989,654.00</u>

Net Debt \$2,989,654.00 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,997,112,521.67, equals 0.150%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2020 is calculated as follows:

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt (continued):

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 69,898,938.26
Net Debt	2,989,654.00
 Remaining Borrowing Power	 \$ 66,909,284.26

General Debt

A. Serial Bonds Payable

In 2012, the Township issued \$6,120,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 31, 2025.

In 2018, the Township issued \$8,495,000.00 of Monmouth County Improvement Bonds. The Monmouth County Improvement Bonds were issued at interest rates varying from 3.00% to 5.00%. The Monmouth County Improvement Bonds consisted of General Obligation Bonds of \$2,690,000 maturing on January 15, 2036, and the Open Space portion of \$5,805,000.00 that mature on January 15, 2038.

In 2020, the Township issued \$11,395,000.00 of Monmouth County Improvement Bonds. The Monmouth County Improvement Bonds were issued at interest rates varying from 4.00% to 5.00%. The Monmouth County Improvement Bonds consisted of General Obligation Bonds of \$11,395,000 maturing on December 1, 2033.

Principal and interest due on the outstanding bonds are as follows:

	2021	\$ 1,410,000.00	\$ 999,753.61	\$ 2,409,753.61
	2022	1,455,000.00	972,825.00	2,427,825.00
	2023	1,840,000.00	904,600.00	2,744,600.00
	2024	1,935,000.00	812,100.00	2,747,100.00
	2025	2,025,000.00	714,975.00	2,739,975.00
	2026-2030	7,045,000.00	2,372,125.00	9,417,125.00
	2031-2035	5,640,000.00	724,000.00	6,364,000.00
	2036-2038	1,340,000.00	54,300.00	1,394,300.00
		\$ 22,690,000.00	\$ 7,554,678.61	\$ 30,244,678.61

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2020:

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt (continued):

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Gross Rate</u>	<u>Balance December 31, 2020</u>
Series 2020 A	7/31/2020	2/15/2021	2.00%	<u>\$ 11,660,000.00</u>
				<u>\$ 11,660,000.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020, the Township had \$419,654.00 in various General Capital bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short-term debt of the Township is as follows:

	<u>Balance December 31, 2019</u>	<u>Accrued/ Increases</u>	<u>Retired/ Decreases</u>	<u>Balance December 31, 2020</u>	<u>Balance Due Within One Year</u>
General Capital:					
General Bonds	\$ 12,180,000.00	\$ 11,395,000.00	\$ 885,000.00	\$ 22,690,000.00	\$ 1,410,000.00
Bond Anticipation Notes	10,835,079.00	15,180,189.00	14,355,268.00	11,660,000.00	11,660,000.00
Authorized But Not Issued	1,585,863.20	2,637,200.00	3,803,409.20	419,654.00	-
	<u>\$ 24,600,942.20</u>	<u>\$ 29,212,389.00</u>	<u>\$ 19,043,677.20</u>	<u>\$ 34,769,654.00</u>	<u>\$ 13,070,000.00</u>

Note 12. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

	<u>Local School District Tax</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 16,357,712.50	\$ 16,105,846.50
Deferred	<u>2,000,000.00</u>	<u>2,000,000.00</u>
Tax Payable	<u>\$ 14,357,712.50</u>	<u>\$ 14,105,846.50</u>

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 13. Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all permanent employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 14. Accrued Sick Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits certain employees within limits to accumulate sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$35,346.59 at December 31, 2020.

Note 15. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Middlesex County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Middlesex County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

Note 16. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2020, the Township estimates that no material liabilities will result from such audits.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 16. Contingencies (continued):

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2020.

Note 17. Length of Service Awards Program

The Township's length of service awards program ("LOSAP") is reported in the Township's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Township come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$500 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). During the year ended December 31, 2020, the Township contributed a total of \$0.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Township's creditors until distributed as benefit payments, are not available for funding the operations of the Township. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Lincoln Financial Group ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

**TOWNSHIP OF MILLSTONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 17. Length of Service Awards Program (continued):

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2020 payouts of \$0.00 were made to vested participants.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

Note 18. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2020 and September 1, 2021, the date the financial statements were available for issuance. Based upon this evaluation, the Township has determined that the following item requires disclosure in the financial statements:

- On July 21, 2021 the Township Council adopted Ordinance 21-11. This bond ordinance provides for an appropriation of \$1,174,000 for various improvements in the Township and authorizes the issuance of \$825,550 in bonds or notes to finance a portion of the costs thereof.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF CURRENT CASH
FOR THE YEAR ENDED DECEMBER 31, 2020**

	CURRENT	FEDERAL & STATE GRANT FUNDS
Balance December 31, 2019	\$ 15,963,941.07	\$ 19,833.70
Increased by Receipts:		
Tax Collector	\$ 45,508,781.82	\$ -
Due from State of New Jersey - Senior Citizens' & Veterans' Deductions	48,000.00	-
Miscellaneous Revenue Not Anticipated	78,569.16	-
Revenue Accounts Receivable	1,961,894.08	-
Payroll Liabilities	1,695,039.69	-
UCC Fees – Due to State of NJ	27,416.00	-
Interfunds Liquidated	30,035.79	-
Local Portion of Grant	-	5,000.00
Federal & State Grants Receivable	-	69,754.01
	49,349,736.54	74,754.01
Total Increases		
Subtotal	65,313,677.61	94,587.71
Decreased by Disbursements:		
2020 Budget Appropriations	5,387,277.45	-
2019 Appropriation Reserves	196,075.11	-
Tax Overpayments	12,001.75	-
Fire District Taxes	2,014,210.00	-
Municipal Open Space Tax	1,129,719.44	-
County Taxes	5,722,436.39	-
County Share of Added & Omitted Taxes	17,676.67	-
Local District School Tax	32,463,559.00	-
Payroll Liabilities	1,695,039.69	-
Due To General Capital Fund	40,560.00	-
Local Portion of Grant	5,000.00	-
UCC Fees – Due to State of NJ	27,206.00	-
Reserve for Federal & State Grant Funds - Appropriated	-	66,542.12
	48,710,761.50	66,542.12
Total Disbursements		
Balance December 31, 2020	\$ 16,602,916.11	\$ 28,045.59

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF CASH AND RECONCILIATION
PER N.J.S.40A:5-5--COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$	-
Increased by:			
Taxes Receivable	\$	44,946,224.31	
Interest & Costs on Taxes		162,181.13	
Prepaid Taxes		400,376.38	
			45,508,781.82
Subtotal			45,508,781.82
Decreased by Disbursements:			
Deposits Directly to Treasurer Bank Account			45,508,781.82
Balance December 31, 2020		\$	-

**SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

OFFICE			December 31 2020 and 2019
Recreation Department	\$		100.00
Tax Department			200.00
Municipal Court			500.00
Animal Licensing			200.00
Total	\$		1,000.00

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY
CHAPTER 128, P.L. 1976
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 1,500.00
Increased by:	
Senior Citizen & Veteran Deductions per Tax Billing	<u>48,000.00</u>
Subtotal	49,500.00
Decreased by:	
Collections	<u>48,000.00</u>
Balance December 31, 2020	<u><u>\$ 1,500.00</u></u>

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2020**

YEAR	BALANCE DECEMBER 31, 2019	2020 LEVY	ADDED TAXES	COLLECTIONS 2019	COLLECTIONS 2020	DUE FROM STATE OF NEW JERSEY	CANCELLED	OVERPAYMENT APPLIED/(CREATED)	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31 2020
2017	\$ 2.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.03
2018	2.29	-	-	-	-	-	-	-	-	2.29
2019	603,839.18	-	-	-	603,831.33	-	-	-	-	7.85
Total	603,843.50	-	-	-	603,831.33	-	-	-	-	12.17
2020	-	44,961,889.89	274,230.33	276,943.99	44,342,392.98	45,250.00	31,436.70	(35,276.06)	13,424.51	561,948.10
Balance	\$ 603,843.50	\$ 44,961,889.89	\$ 274,230.33	\$ 276,943.99	\$ 44,946,224.31	\$ 45,250.00	\$ 31,436.70	\$ (35,276.06)	\$ 13,424.51	\$ 561,960.27

FOR THE YEAR ENDED DECEMBER 31, 2020

Tax Yield:	
General Purpose Tax	\$ 44,973,619.77
Added & Omitted Taxes (54:4-63.1 et seq.)	262,500.45
Total	<u>\$ 45,236,120.22</u>
Tax Levy:	
Local District School Tax	\$ 32,715,425.00
County Taxes:	
County Tax	\$ 4,728,659.39
County Library Tax	344,160.26
County Health Tax	97,514.65
Open Space	552,102.09
Due County:	
Added & Omitted Taxes (R.S. 54:4-63.1 et seq.)	<u>35,000.36</u>
Total County Taxes	<u>5,757,436.75</u>
Fire District Taxes	2,014,210.00
Local Tax for Municipal Purpose	3,319,260.78
Local Open Space Tax	1,129,719.44
Add: Additional Tax Levied	<u>300,068.25</u>
Local Tax for Municipal Purposes Levied	<u>6,763,258.47</u>
Total	<u>\$ 45,236,120.22</u>

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 308,575.24
Increased by:	
Transfer from Taxes Receivable	13,424.51
Balance December 31, 2020	\$ 321,999.75

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	ACCRUED	COLLECTED BY TREASURER	COLLECTED BY COLLECTOR	BALANCE DECEMBER 31, 2020
Fees & Permits	\$ -	\$ 40,539.53	\$ 40,539.53	\$ -	\$ -
Fines & Costs:					
Municipal Court	4,040.59	25,868.02	28,724.35	-	1,184.26
Interest on Costs & Taxes	-	162,181.13	-	162,181.13	-
Interest on Investments & Deposits	-	331,311.77	331,311.77	-	-
Interlocal Service Agreement:					
Roosevelt Court Fees	-	6,000.00	6,000.00	-	-
Garden State Trust Fund	-	20,207.00	20,207.00	-	-
Uniform Construction Code Fees	-	511,317.00	511,317.00	-	-
Energy Receipts Tax	-	821,546.00	821,546.00	-	-
Cable Franchise Fees	-	98,680.00	98,680.00	-	-
Verizon Franchise Fees	-	53,327.72	53,327.72	-	-
Telecommunications Tower Lease	-	42,785.68	42,785.68	-	-
Reserve for Debt Service	-	176,382.63	176,382.63	-	-
General Capital Fund Balance	-	175,000.00	175,000.00	-	-
Total	\$ 4,040.59	\$ 2,465,146.48	\$ 2,305,821.68	\$ 162,181.13	\$ 1,184.26

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	BALANCE AFTER MODIFICATION	DISBURSED	BALANCE LAPSED
OPERATIONS - WITHIN "CAPS"				
GENERAL GOVERNMENT:				
Mayor & Township Committee:				
Salaries and Wages	\$ 31.00	\$ 31.00	\$ -	\$ 31.00
Other Expenses	75.12	75.12	-	75.12
General Administration:				
Salaries and Wages	17.57	17.57	-	17.57
Other Expenses	20,287.96	20,287.96	11,754.13	8,533.83
Municipal Clerk:				
Salaries and Wages	186.53	186.53	-	186.53
Other Expenses	679.76	679.76	126.14	553.62
Financial Administration:				
Salaries and Wages	52.42	52.42	-	52.42
Other Expenses	3,611.96	4,361.96	3,839.80	522.16
Collection of Taxes:				
Salaries and Wages	88.82	88.82	-	88.82
Other Expenses	269.63	269.63	175.62	94.01
Assessment of Taxes:				
Salaries and Wages	56.96	56.96	-	56.96
Other Expenses	1,885.80	1,885.80	1,528.73	357.07
Legal Services & Costs:				
Other Expenses	14,616.29	17,366.29	16,483.57	882.72
Engineering Services & Costs:				
Other Expenses	2,225.00	3,300.00	3,300.00	-
Historical Preservation Committee:				
Other Expenses	820.37	820.37	817.41	2.96
Veterans Memorial Committee:				
Other Expenses	244.63	244.63	-	244.63
Open Space Farmland Preservation Council:				
Salaries and Wages	228.68	228.68	-	228.68
Other Expenses	1,413.25	1,413.25	863.97	549.28
Agricultural:				
Other Expenses	1,424.65	1,424.65	875.00	549.65
Municipal Land Use Law (N.J.S. 40:55D-1):				
Planning Board:				
Salaries and Wages	556.56	556.56	-	556.56
Other Expenses	10,236.65	11,661.65	11,462.25	199.40
Zoning Board of Adjustment:				
Salaries and Wages	556.56	556.56	-	556.56
Other Expenses	2,993.94	2,993.94	1,800.00	1,193.94
Affordable Housing (COAH):				
Other Expenses	281.00	18,281.00	18,257.50	23.50
INSURANCE:				
Liability Insurance	21.02	21.02	-	21.02
Employee Group Health Insurance	29,375.75	29,375.75	27,659.96	1,715.79
Unemployment Insurance	156.24	156.24	-	156.24

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	BALANCE AFTER MODIFICATION	DISBURSED	BALANCE LAPSED
OPERATIONS - WITHIN "CAPS"				
PUBLIC SAFETY FUNCTIONS				
Emergency Management Service:				
Other Expenses	3,717.75	17.75	-	17.75
Public Defender:				
Other Expenses	2,100.00	2,100.00	-	2,100.00
LOSAP:				
Other Expenses	100.00	100.00	-	100.00
PUBLIC WORKS FUNCTIONS				
Streets & Roads:				
Salaries and Wages	36.19	36.19	-	36.19
Other Expenses	38,344.33	28,344.33	22,844.77	5,499.56
Shade Tree Commission:				
Other Expenses	705.00	1,855.00	1,842.00	13.00
Sanitation:				
Salaries and Wages	42.17	42.17	-	42.17
Other Expenses	651.96	651.96	-	651.96
Buildings & Grounds:				
Salaries and Wages	84.00	84.00	-	84.00
Other Expense	21,193.94	21,193.94	16,034.64	5,159.30
Vehicle Maintenance:				
Other Expense	23,013.21	23,013.21	9,564.12	13,449.09
HEALTH & HUMAN SERVICES				
Senior Transportation:				
Other Expenses	2,022.00	2,022.00	1,860.00	162.00
Environmental Commission:				
Salaries and Wages	100.00	100.00	-	100.00
Other Expenses	272.24	272.24	90.44	181.80
PARKS & RECREATION FUNCTIONS:				
Recreation Commission:				
Salaries and Wages	651.04	651.04	-	651.04
Other Expenses	993.54	243.54	3.23	240.31
Municipal Court:				
Salaries and Wages	284.13	284.13	-	284.13
Other Expenses	3,075.81	3,075.81	1,251.55	1,824.26
UTILITY EXPENSES:				
Electricity	8,213.64	3,463.64	3,456.63	7.01
Street Lighting	9,226.20	9,226.20	7,390.31	1,835.89
Telephone	3,125.90	3,125.90	1,823.05	1,302.85
Natural Gas	6,332.68	6,332.68	2,322.50	4,010.18
Gasoline	11,062.23	8,112.23	4,745.65	3,366.58

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	BALANCE AFTER MODIFICATION	DISBURSED	BALANCE LAPSED
OPERATIONS - WITHIN "CAPS"				
LANDFILL/SOLID WASTE DISPOSAL COSTS:				
Landfill Tipping Fees				
Other Expenses	4.45	4.45	-	4.45
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C.5:23-4.17):				
State Uniform Construction Code:				
Construction:				
Salaries and Wages	96.07	96.07	-	96.07
Other Expenses	32,864.65	29,864.65	28,753.26	1,111.39
Other Code Enforcement:				
Salaries and Wages	983.22	983.22	-	983.22
Other Expenses	300.95	300.95	87.92	213.03
DEFERRED CHARGES & STATUTORY EXPENDITURES				
MUNICIPAL - WITHIN "CAPS"				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I)	43.17	43.17	-	43.17
Defined Contribution Retirement Program	273.62	273.62	-	273.62
	<hr/>			
Total General Appropriations for Municipal Purposes within Caps	262,308.21	262,308.21	201,014.15	61,294.06
	<hr/>			
Total	\$ 262,308.21	\$ 262,308.21	\$ 201,014.15	\$ 61,294.06
	<hr/> <hr/>			
2019 Appropriation Reserves	\$ 63,279.79			
2019 Encumbrances	199,028.42			
	<hr/>			
Total	\$ 262,308.21			
	<hr/> <hr/>			
		Accounts Payable	\$ 4,939.04	
		Disbursements	196,075.11	
			<hr/>	
		Total	\$ 201,014.15	
			<hr/> <hr/>	

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$	276,943.99
Increased by:		
Collection of 2021 Taxes		400,376.38
Subtotal		677,320.37
Decreased by:		
Applied to 2020 Taxes		276,943.99
Balance December 31, 2020	\$	400,376.38

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$	15,119.39
Decreased by:		
Refunded		12,001.75
Balance December 31, 2020	\$	3,117.64

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ -
Increased by:		
2020 Levy:		
County Tax	\$ 4,728,659.39	
County Library Tax	344,160.26	
County Health Tax	97,514.65	
County Open Space Tax	<u>552,102.09</u>	
		<u>5,722,436.39</u>
Subtotal		5,722,436.39
Decreased by:		
Payments		<u>5,722,436.39</u>
Balance December 31, 2020		<u><u>\$ -</u></u>

**SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		
Added/Omitted Taxes		\$ 17,677.91
Increase by County Share of 2020 Levy:		
Added/Omitted (R.S. 54:4-63.1 et seq.)		<u>35,000.36</u>
Subtotal		52,678.27
Decreased by:		
Payments:		
Added/Omitted Taxes		<u>17,676.67</u>
Balance December 31, 2020		
Added/Omitted Taxes		<u><u>\$ 35,001.60</u></u>

**TOWNSHIP OF MILLSTONE
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		
School Tax Payable	\$ 14,105,846.50	
School Tax Deferred	<u>2,000,000.00</u>	
		<u>\$ 16,105,846.50</u>
Increased by Local District School's Share of 2020 Levy:		
Levy - School Year July 1, 2020 to June 30, 2021		<u>32,715,425.00</u>
Subtotal		48,821,271.50
Decreased by Payments:		
Payments		<u>32,463,559.00</u>
Balance December 31, 2020		
School Tax Payable	14,357,712.50	
School Tax Deferred	<u>2,000,000.00</u>	
		<u>16,357,712.50</u>
Total		<u><u>\$ 16,357,712.50</u></u>
2020 Liability for Local District School Tax:		
Tax Paid	\$ 32,463,559.00	
Tax Payable December 31, 2020	<u>14,357,712.50</u>	
Subtotal		46,821,271.50
Less: Tax Payable December 31, 2019		<u>14,105,846.50</u>
Amount Charged to 20 Operations		<u><u>\$ 32,715,425.00</u></u>

**TOWNSHIP OF MILLSTONE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

PROGRAM	BALANCE DECEMBER 31, 2019	2020 BUDGET REVENUE REALIZED	RECEIVED	BALANCE DECEMBER 31, 2020
State Grants:				
Municipal Alliance on Alcoholism & Drug Abuse - 2019/20 FY	\$ 9,347.50	\$ 12,469.00	\$ 13,415.86	\$ 8,400.64
Recycling Tonnage Grant - 2020	-	10,181.13	10,181.13	-
Alcohol Ed. & Rehab. Grant - 2020	-	583.48	583.48	-
Clean Communities Grant - 2020	-	37,473.54	37,473.54	-
CDBG ADA - Improvements to Muni & Court Buildings - 2018	5,586.00	-	-	5,586.00
CFMP-2017	8,100.00	-	8,100.00	-
Total State Grants	23,033.50	60,707.15	69,754.01	13,986.64
Total	\$ 23,033.50	\$ 60,707.15	\$ 69,754.01	\$ 13,986.64

**TOWNSHIP OF MILLSTONE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

PROGRAM	BALANCE	TRANSFERRED		PRIOR YEAR		CURRENT YEAR	BALANCE
	DECEMBER 31, 2019	BUDGET	APPROPRIATION	RESERVE FOR ENCUMBRANCES	RESERVE FOR ENCUMBRANCES		
	APPROPRIATED					ENCUMBRANCES	APPROPRIATED
State Grants:	\$	522.35	\$	-	\$	-	\$
Alcohol Ed. & Rehab. Grant - 2013		292.93		-		-	522.35
Alcohol Ed. & Rehab. Grant - 2017		80.37		-		-	292.93
Alcohol Ed. & Rehab. Grant - 2018		-	583.48	-		-	80.37
Alcohol Ed. & Rehab. Grant - 2020		-	10,181.13	-		-	583.48
Recycling Tonnage Grant - 2020		-	-	10,181.13		-	-
Clean Communities Grant - 2017		-	-	2,237.89		-	-
Clean Communities Grant - 2018		-	-	9,459.74		-	-
Clean Communities Grant - 2019		3,707.76	-	13,691.71		-	3,300.00
Clean Communities Grant - 2020		-	37,473.54	-		1,475.02	22,865.13
Municipal Alliance on Alcoholism & Drug Abuse - 2019/2020 FY		2,106.64	-	3,017.50		-	861.64
Municipal Alliance on Alcoholism & Drug Abuse - 2019/2020 FY		-	12,469.00	-		11,240.50	1,228.50
CDBG ADA - Improvements to Muni & Court Buildings - 2018		5,586.00	-	-		-	5,586.00
CFMP - 2017		513.00	-	-		-	513.00
Total State Grants		12,809.05	60,707.15	28,406.84	64,614.62	1,475.02	35,833.40
Municipal Share/ Local:							
Municipal Alliance on Alcoholism & Drug Abuse - 2019/2020 FY		1,328.81	-	322.50	322.50	-	1,328.81
Municipal Alliance on Alcoholism & Drug Abuse - 2020/2021 FY		-	5,000.00	-	1,605.00	-	3,395.00
Total Local Grants		1,328.81	5,000.00	322.50	1,927.50	-	4,723.81
Total All Grants	\$	14,137.86	65,707.15	28,729.34	66,542.12	1,475.02	40,557.21

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TRUST FUND

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**TOWNSHIP OF MILLSTONE
TRUST FUND
STATEMENT OF TRUST CASH
PER N.J.S.40A:5-5-TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>ANIMAL CONTROL TRUST FUND</u>	<u>OTHER FUNDS</u>
Balance December 31, 2019	\$ 15,521.61	\$ 6,303,955.98
Increased by Receipts:		
Reserve for Dog Fund Expenditures	\$ 8,948.60	\$ -
Due State of New Jersey	1,338.60	-
Open Space Trust Receivable	-	433,000.00
Reserve for Self Insurance	-	28,520.50
Reserve for Storm Recovery Trust	-	37,828.42
Reserve for Mt. Laurel Special	-	7,500.00
Reserve for Public Defender Fee	-	350.00
Reserve for Builders Escrow Over \$5,000	-	267,948.18
Reserve for Builders Escrow Under \$5,000	-	88,078.30
Reserve for COAH	-	929,818.50
Reserve for Municipal Open Space	-	1,456,148.57
Reserve for Recreation	-	71,802.35
Reserve for Tax Sale Premium	-	782,516.48
Reserve for Stavola Asphalt	-	1,000.00
Reserve for Payroll	-	1,695,039.69
	<u>10,287.20</u>	<u>5,799,550.99</u>
Total Receipts		
Decreased by Disbursements:		
Reserve for Dog Fund Expenditures	12,178.30	-
Due State of New Jersey	1,314.00	-
Reserve for Self Insurance	-	43,910.27
Reserve for Basin Maintenance	-	2,160.84
Reserve for Mt. Laurel Special	-	6,375.00
Reserve for Builders Escrow Over \$5,000	-	262,643.66
Reserve for Builders Escrow Under \$5,000	-	87,123.00
Reserve for COAH	-	160,917.68
Reserve for Municipal Open Space	-	1,547,479.82
Reserve for Municipal Alliance	-	125.00
Reserve for Recreation	-	102,230.76
Reserve for Tax Sale Premium	-	344,716.48
Reserve for Veterans Memorial	-	3,489.00
Reserve for Payroll	-	1,695,039.69
	<u>13,492.30</u>	<u>4,256,211.20</u>
Total Disbursements		
Balance December 31, 2020	<u>\$ 12,316.51</u>	<u>\$ 7,847,295.77</u>

**TOWNSHIP OF MILLSTONE
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 15,482.01
Increased by:		
Collections:		
Dog License Fees Collected by Clerk		8,948.60
Subtotal		24,430.61
Decreased by:		
Encumbrances Payable	\$ 1,707.88	
Expenditures Under R.S.4:19-15.11 - Cash	12,178.30	
		13,886.18
Balance December 31, 2020		\$ 10,544.43

LICENSE FEES COLLECTED

YEAR	AMOUNT
2019	\$ 11,225.20
2018	13,384.00
Total	\$ 24,609.20

**ANIMAL CONTROL TRUST
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 39.60
Increased by:		
2020 Animal License Fees		1,338.60
Subtotal		1,378.20
Decreased by:		
Fees paid to State		1,314.00
Balance December 31, 2020		\$ 64.20

**TOWNSHIP OF MILLSTONE
TRUST OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, 2019	Increased by Receipts	Decreased by Disbursements	Balance December 31, 2020
Self Insurance Trust	\$ 23,394.95	\$ 28,520.50	\$ 43,910.27	\$ 8,005.18
Storm Recovery Trust	51,477.53	37,828.42	-	89,305.95
Basin Maintenance Trust	96,773.72	-	2,160.84	94,612.88
Mt. Laurel Special	2,580.96	7,500.00	6,375.00	3,705.96
Public Defender Trust	200.00	350.00	-	550.00
POAA Trust	81.00	-	-	81.00
Builders Escrow - Over \$5,000	623,254.31	267,948.18	262,643.66	628,558.83
Builders Escrow - Under \$5,000	128,488.13	88,078.30	87,123.00	129,443.43
COAH Trust	12,475.35	929,818.50	160,917.68	781,376.17
Municipal Open Space Trust	4,482,340.97	1,889,148.57	1,547,479.82	4,824,009.72
Municipal Alliance Trust	3,473.65	-	125.00	3,348.65
Recreation Trust	476,931.85	71,802.35	102,230.76	446,503.44
Tax Sale Premium & Redemptions	368,700.00	782,516.48	344,716.48	806,500.00
Veterans Memorial Trust	7,086.61	-	3,489.00	3,597.61
Shade Tree Trust	24,303.00	-	-	24,303.00
Stavola Asphalt	2,393.95	1,000.00	-	3,393.95
Payroll Trust	-	1,695,039.69	1,695,039.69	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Reserves	<u>\$ 6,303,955.98</u>	<u>\$ 5,799,550.99</u>	<u>\$ 4,256,211.20</u>	<u>\$ 7,847,295.77</u>

**TOWNSHIP OF MILLSTONE
TRUST OTHER FUNDS
SCHEDULE OF RESERVE FOR LENGTH OF
SERVICE AWARDS PROGRAM (LOSAP)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 398,755.34
Increased by:		
Gain on Contributions		<u>47,522.03</u>
Subtotal		446,277.37
Decreased by:		
Withdrawals	\$ 26,813.83	
Account Charge	<u>500.00</u>	
		<u>27,313.83</u>
Balance December 31, 2020		<u><u>\$ 418,963.54</u></u>

**TOWNSHIP OF MILLSTONE
TRUST OTHER FUNDS
SCHEDULE OF OPEN SPACE RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 1,756,322.82
Decreased by:	
Cash Receipts	<u>433,000.00</u>
Balance December 31, 2020	<u><u>\$ 1,323,322.82</u></u>

Analysis of Balance

Waters	\$ 588,158.25
Perl Acres North	418,376.62
Cady	129,755.14
Burnt Tavern	<u>187,032.81</u>
	<u><u>\$ 1,323,322.82</u></u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH
PER N.J.S.40A:5-5-TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$	1,198,954.22
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	\$		147,500.00
Bond Anticipation Note Premium			65,660.49
Grant Receivable			366,250.00
Due To Current Fund			40,560.00
Serial Bonds Issued			14,297,200.00
Bond Anticipation Note Proceeds			15,180,189.00
			30,097,359.49
Subtotal			31,296,313.71
Decreased by Disbursements:			
Improvement Authorizations			2,104,370.47
Bond Anticipation Notes			14,355,268.00
			16,459,638.47
Balance December 31, 2020		\$	14,836,675.24

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2020
Fund Balance	\$ 91,169.82
Capital Improvement Fund	8,836.08
Preliminary Costs Payable	215.91
Grants Receivable	(101,250.00)
Interfund Payable	310,867.63
Excess Financing	11,660,000.00
Reserve for Encumbrances	2,055,078.24

IMPROVEMENT AUTHORIZATIONS:

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	
01-43	Acquisition of Development Rights - Buono Property	2,763.94
07-16	Park Improvements - Phase II	24,573.95
08-29	Stormwater Management/Washing Facility/Pole Barn	(400.00)
10-33	Acquisition of Real Property (COAH)	21,750.00
13-18	Acquisition/Installation of Generators	10,492.51
14-09	2014 Site Improvements	24,460.71
18-02	Improvements to Various Technology, Safety & Buildings	11,069.80
18-05	Park Improvements (Rocky Brook)	101,932.54
18-06	Acquisition of Public Works Vehicles & Equipment	10,933.34
19-06	Various Technology and Safety Improvements	29,326.63
19-09	2019 Road Improvement Program	(4,847.00)
19-10	Acquisition of DPW Vehicles and Equipment	5,942.65
20-17	Acquisition of an Ambulance and Equipment	17,200.55
20-18	Construction of a Park Maintenance Building and Improvemen	26,277.65
20-19	Acquisition of Public Works Vehicles & Equipment	40,411.94
20-20	2020 Road Improvement Program	489,868.35
		489,868.35
Total		\$ 14,836,675.24

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>ORDINANCE NUMBER</u>	BALANCE DECEMBER 31, 2020
Grants without Offsetting Reserves:		
New Jersey Department of Transportation:		
2019 Road Program	19-09	\$ 56,250.00
2020 Road Program	20-20	45,000.00
		\$ 101,250.00
		\$ 101,250.00

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 12,180,000.00
Increased by:		
2020 Bond Issuance		11,395,000.00
		23,575,000.00
Decreased by:		
2020 Budget Appropriation to Pay Debt: General Serial Bonds & Loans		885,000.00
		885,000.00
Balance December 31, 2020		\$ 22,690,000.00

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2019	2020 AUTHORIZATIONS	BOND ISSUED	NOTES PAID BY BUDGET/TRUST AUTHORIZATIONS	CANCELLED	BALANCE DECEMBER 31, 2020	ANALYSIS OF BALANCE				
								BOND ANTICIPATION NOTES	EXCESS FINANCING	EXPENDED	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
07-16	ADA Improvements to Abate Park	\$ 150,689.68	\$ -	\$ 149,697.00	\$ 992.68	\$ -	\$ -	\$ 149,697.00	\$ (149,697.00)	\$ -	\$ -	\$ -
08-22	Site Improvements - Municipal Project	56,508.60	-	56,137.00	371.60	-	-	56,137.00	(56,137.00)	-	-	-
08-29	Stormwater Management/Washing Facility/Pole Barn	260,613.20	-	-	-	260,213.20	400.00	-	-	-	400.00	-
09-16	2009 Road Improvement Program	48,230.76	-	47,913.00	317.76	-	-	47,913.00	(47,913.00)	-	-	-
10-03	Acquisition of Real Property (COAH)	311,622.18	-	309,571.00	2,051.18	-	-	309,571.00	(309,571.00)	-	-	-
10-21	2010 Road Improvement Program	40,192.30	-	39,928.00	264.30	-	-	39,928.00	(39,928.00)	-	-	-
10-33	Acquisition of Real Property (COAH)	413,250.00	-	-	-	-	413,250.00	-	-	-	-	413,250.00
11-03	2011 Road Improvement Program	162,500.00	-	161,430.00	1,070.00	-	-	161,430.00	(161,430.00)	-	-	-
12-11	2012 Road Improvement Program	281,250.00	-	279,398.00	1,852.00	-	-	279,398.00	(279,398.00)	-	-	-
12-12	Acquisition of Public Works Vehicles & Equipment	88,448.28	-	87,866.00	582.28	-	-	87,866.00	(87,866.00)	-	-	-
13-16	Technology Upgrades	34,543.84	-	34,316.00	227.84	-	-	34,316.00	(34,316.00)	-	-	-
13-17	Acquisition of Public Works Vehicles & Equipment	70,194.44	-	69,732.00	462.44	-	-	69,732.00	(69,732.00)	-	-	-
13-18	Acquisition/Installation of Generators	92,870.69	-	92,259.00	611.69	-	-	92,259.00	(92,259.00)	-	-	-
13-19	2013 Road Improvement Program	508,000.00	-	504,656.00	3,344.00	-	-	504,656.00	(504,656.00)	-	-	-
13-20	ME Church Improvements	220,137.93	-	218,689.00	1,448.93	-	-	218,689.00	(218,689.00)	-	-	-
14-08	2014 Road Improvement Program	510,000.00	-	506,643.00	3,357.00	-	-	506,643.00	(506,643.00)	-	-	-
14-09	2014 Site Improvements	132,672.42	-	131,799.00	873.42	-	-	131,799.00	(131,799.00)	-	-	-
14-10	Acquisition of Public Works Vehicles & Equipment	107,138.88	-	106,434.00	704.88	-	-	106,434.00	(106,434.00)	-	-	-
15-15	2015 Road Improvement Program	702,000.00	-	697,379.00	4,621.00	-	-	697,379.00	(697,379.00)	-	-	-
15-16	Acquisition of Public Works Vehicles & Equipment	46,444.44	-	46,139.00	305.44	-	-	46,139.00	(46,139.00)	-	-	-
16-05	Acquisition of COAH Property (Eckhardt)	140,695.66	-	139,769.00	926.66	-	-	139,769.00	(139,769.00)	-	-	-
16-07	Technology Upgrades	47,500.00	-	47,187.00	313.00	-	-	47,187.00	(47,187.00)	-	-	-
16-08	2016 Road Improvement Program	584,250.00	-	580,404.00	3,846.00	-	-	580,404.00	(580,404.00)	-	-	-
16-09	Acquisition of Public Works Vehicles & Equipment	77,688.90	-	77,177.00	511.90	-	-	77,177.00	(77,177.00)	-	-	-
16-11/17-10	Acquisition of Property (CKV) Property (COAH Portion)	775,000.00	-	760,152.00	14,848.00	-	-	760,152.00	(760,152.00)	-	-	-
16-15	Millstone Park Improvements - Phase I	3,300,000.00	-	3,278,276.00	21,724.00	-	-	3,278,276.00	(3,278,276.00)	-	-	-
17-05	Acquisition of Public Works Vehicles & Equipment	323,000.00	-	320,874.00	2,126.00	-	-	320,874.00	(320,874.00)	-	-	-
17-09	2017 Road Improvement Program	608,000.00	-	603,997.00	4,003.00	-	-	603,997.00	(603,997.00)	-	-	-
18-02	Improvements to Various Technology, Safety, & Buildings	266,000.00	-	264,249.00	1,751.00	-	-	264,249.00	(264,249.00)	-	-	-
18-06	Acquisition of Public Works Vehicles & Equipment	294,500.00	-	292,561.00	1,939.00	-	-	292,561.00	(292,561.00)	-	-	-
18-07	2018 Road Improvement Program	617,500.00	-	613,435.00	4,065.00	-	-	613,435.00	(613,435.00)	-	-	-
19-06	Various Technology and Safety Improvements	175,750.00	-	174,593.00	-	-	1,157.00	174,593.00	(174,593.00)	-	-	1,157.00
19-09	2019 Road Improvement Program	736,250.00	-	731,403.00	-	-	4,847.00	731,403.00	(731,403.00)	-	-	4,847.00
19-10	Acquisition of DPW Vehicles and Equipment	237,500.00	-	235,937.00	1,563.00	-	-	235,937.00	(235,937.00)	-	-	-
20-17	Acquisition of an Ambulance and Equipment	-	190,000.00	190,000.00	-	-	-	-	-	-	-	-
20-18	Construction of a Park Maintenance Building and Improvement:	-	522,500.00	522,500.00	-	-	-	-	-	-	-	-
20-19	Acquisition of Public Works Vehicles & Equipment	-	195,700.00	195,700.00	-	-	-	-	-	-	-	-
20-20	2020 Road Improvement Program	-	1,729,000.00	1,729,000.00	-	-	-	-	-	-	-	-
Total		\$ 12,420,942.20	\$ 2,637,200.00	\$ 14,297,200.00	\$ 81,075.00	\$ 260,213.20	\$ 419,654.00	\$ 11,660,000.00	\$ (11,660,000.00)	\$ 5,247.00	\$ -	\$ 414,407.00

Improvement Authorizations - Unfunded

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 136.08
Increased by:	
2020 Budget Appropriation	<u>147,500.00</u>
Subtotal	147,636.08
Decreased by:	
2020 Appropriated to Finance Improvement Authorizations:	<u>138,800.00</u>
Balance December 31, 2020	<u><u>\$ 8,836.08</u></u>

TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

IMPROVEMENT DESCRIPTION	ORDINANCE NUMBER	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2019		CAPITAL IMPROVEMENT FUND	GRANTS RECEIVABLE	DEFERRED CHARGES TO FUTURE TAXATION- UNFUNDED	RESERVE FOR ENCUMBRANCES	CASH EXPENDED	CURRENT YEAR ENCUMBRANCES	CANCELLED	BALANCE DECEMBER 31, 2020	
				FUNDED	UNFUNDED								FUNDED	UNFUNDED
				\$	\$								\$	\$
Outstanding Improvements:														
Acquisition of Development Rights - Buono Property	01-43	12/19/2001	\$ 533,000.00	\$ 2,763.94	\$ -	\$ -	\$ -	\$ -	\$ 875.00	\$ -	\$ -	\$ -	\$ 2,763.94	\$ -
Park Improvements - Phase II	07-16	7/18/2007	200,000.00	-	24,573.95	-	-	45,875.00	-	45,000.00	-	-	24,573.95	-
Stormwater Management/Washing Facility/Pole Barn	08-29	11/5/2008	290,000.00	-	260,268.20	-	-	-	-	-	260,268.20	-	-	-
Acquisition of Real Property (COAH)	10-33	12/15/2010	435,000.00	21,750.00	413,250.00	-	-	-	-	-	-	-	21,750.00	413,250.00
Acquisition/Installation of Generators	13-18	7/17/2013	105,000.00	-	10,492.51	-	-	-	-	-	-	-	10,492.51	-
2014 Site Improvements	14-09	7/16/2014	1,500,000.00	-	47,388.51	-	-	-	22,927.80	-	-	-	24,460.71	-
2015 Road Improvement Program	15-15	7/1/2015	900,000.00	-	-	-	-	9,500.00	-	9,500.00	-	-	-	-
Millstone Park Improvements - Phase I	16-15	11/2/2016	4,500,000.00	-	-	-	-	196,191.19	-	196,191.19	-	-	-	-
Acquisition of Public Works Vehicles & Equipment	17-05	5/17/2017	340,000.00	-	-	-	-	298.54	-	298.54	-	-	-	-
Improvements to Various Technology, Safety & Buildings	18-02	2/21/2018	280,000.00	-	11,225.19	-	-	44,599.65	40,847.65	3,907.39	-	-	11,069.80	-
Park Improvements (Rocky Brook)	18-05	6/6/2018	250,000.00	102,412.54	-	-	-	16,403.00	480.00	16,403.00	-	-	101,932.54	-
Acquisition of Public Works Vehicles & Equipment	18-06	6/6/2018	310,000.00	-	10,933.34	-	-	10,476.19	-	-	-	-	10,933.34	-
2018 Road Improvement Program	18-07	6/6/2018	900,000.00	-	4,057.85	-	-	133,793.66	137,851.51	-	-	-	-	-
Various Technology and Safety Improvements	19-06	5/13/2019	185,000.00	-	144,429.59	-	-	18,842.28	116,544.73	-	-	-	-	-
2019 Road Improvement Program	19-09	6/6/2019	1,000,000.00	-	106,035.93	-	-	810,313.13	916,349.06	-	-	-	-	-
Acquisition of DPW Vehicles and Equipment	19-10	7/1/2019	250,000.00	-	6,080.78	-	-	243,173.50	243,311.63	-	-	-	-	-
Acquisition of an Ambulance and Equipment	20-17	6/3/2020	200,000.00	-	-	-	-	-	182,799.45	-	-	-	5,942.65	-
Construction of a Park Maintenance Building and Improvements	20-18	6/3/2020	550,000.00	-	-	-	190,000.00	522,500.00	77,606.66	446,115.69	-	-	17,200.55	-
Acquisition of Public Works Vehicles & Equipment	20-19	6/3/2020	206,000.00	-	-	-	195,700.00	-	58,167.41	107,420.65	-	-	40,411.94	-
2020 Road Improvement Program	20-20	6/3/2020	2,000,000.00	-	-	-	1,729,000.00	-	99,643.65	1,410,488.00	-	-	489,868.35	-
Total				\$ 126,926.48	\$ 1,038,735.85	\$ 138,800.00	\$ 180,000.00	\$ 2,637,200.00	\$ 2,104,370.47	\$ 2,055,078.24	\$ 260,268.20	\$ -	\$ 817,004.56	\$ 414,407.00

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF PRELIMINARY COSTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2020 and 2019

\$ 215.91

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTES	DATE OF ISSUE	DATE OF MATURITY	GROSS INTEREST RATE	BALANCE DECEMBER 31, 2019	INCREASE	DECREASE	BALANCE DECEMBER 31, 2020
07-16	Park Improvements - Phase II	9/27/2011	7/31/2020	2/15/2021	2.00%	\$ 150,689.68	\$ 149,697.00	\$ 150,689.68	\$ 149,697.00
08-22	Site Improvements - Municipal Projects	9/27/2011	7/31/2020	2/15/2021	2.00%	56,508.60	56,137.00	56,508.60	56,137.00
09-16	2009 Road Improvement Program	9/27/2011	7/31/2020	2/15/2021	2.00%	48,230.76	47,913.00	48,230.76	47,913.00
10-03	Acquisition of Real Property (COAH)	9/27/2011	7/31/2020	2/15/2021	2.00%	311,622.18	309,571.00	311,622.18	309,571.00
10-21	2010 Road Improvement Program	9/27/2011	7/31/2020	2/15/2021	2.00%	40,192.30	39,928.00	40,192.30	39,928.00
11-03	2011 Road Improvement Program	9/27/2011	7/31/2020	2/15/2021	2.00%	162,500.00	161,430.00	162,500.00	161,430.00
12-11	2012 Road Improvement Program	9/23/2013	7/31/2020	2/15/2021	2.00%	281,250.00	279,398.00	281,250.00	279,398.00
12-12	Acquisition of Public Works Vehicles & Equipment	6/17/2015	7/31/2020	2/15/2021	2.00%	88,448.28	87,866.00	88,448.28	87,866.00
13-16	Technology Upgrades	9/19/2014	7/31/2020	2/15/2021	2.00%	34,543.84	34,316.00	34,543.84	34,316.00
13-17	Acquisition of Public Works Vehicles & Equipment	6/17/2015	7/31/2020	2/15/2021	2.00%	70,194.44	69,732.00	70,194.44	69,732.00
13-18	Acquisition/Installation of Generators	6/17/2015	7/31/2020	2/15/2021	2.00%	92,870.69	92,259.00	92,870.69	92,259.00
13-19	2013 Road Improvement Program	9/19/2014	7/31/2020	2/15/2021	2.00%	508,000.00	504,656.00	508,000.00	504,656.00
13-20	Improvements to ME Church	9/15/2016	7/31/2020	2/15/2021	2.00%	220,137.93	218,689.00	220,137.93	218,689.00
14-08	2014 Road Improvement Program	6/17/2015	7/31/2020	2/15/2021	2.00%	510,000.00	506,643.00	510,000.00	506,643.00
14-09	2014 Site Improvements	6/17/2015	7/31/2020	2/15/2021	2.00%	132,672.42	131,799.00	132,672.42	131,799.00
14-10	Acquisition of Public Works Vehicles & Equipment	6/17/2015	7/31/2020	2/15/2021	2.00%	107,138.88	106,434.00	107,138.88	106,434.00
15-15	2015 Road Improvement Program	9/15/2016	7/31/2020	2/15/2021	2.00%	702,000.00	697,379.00	702,000.00	697,379.00
15-16	Acquisition of Public Works Vehicles & Equipment	9/15/2016	7/31/2020	2/15/2021	2.00%	46,444.44	46,139.00	46,444.44	46,139.00
16-05	Acquisition of COAH (Eckhardt)	9/15/2016	7/31/2020	2/15/2021	2.00%	140,695.66	139,769.00	140,695.66	139,769.00
16-07	Technology Upgrades	9/13/2017	7/31/2020	2/15/2021	2.00%	47,500.00	47,187.00	47,500.00	47,187.00
16-08	2016 Road Improvement Program	9/13/2017	7/31/2020	2/15/2021	2.00%	584,250.00	580,404.00	584,250.00	580,404.00
16-09	Acquisition of Public Works Vehicles & Equipment	9/15/2016	7/31/2020	2/15/2021	2.00%	77,688.90	77,177.00	77,688.90	77,177.00
16-15	Millstone Park Improvements - Phase I	9/13/2017	7/31/2020	2/15/2021	2.00%	3,300,000.00	3,278,276.00	3,300,000.00	3,278,276.00
16-11/17-10	Acquisition of CKV Property (COAH Portion)	5/16/2017	7/31/2020	2/15/2021	2.00%	775,000.00	760,152.00	775,000.00	760,152.00
17-05	Acquisition of Public Works Vehicle & Equipment	4/30/2020	4/30/2020	7/31/2020	1.70%	-	765,189.00	765,189.00	-
17-09	2017 Road Improvement Program	5/4/2018	7/31/2020	2/15/2021	2.00%	323,000.00	320,874.00	323,000.00	320,874.00
18-02	Various Technology/Safety & Building Improvements	5/4/2018	7/31/2020	2/15/2021	2.00%	608,000.00	603,997.00	608,000.00	603,997.00
18-06	Acquisition of PW Vehicles and Equipment	4/30/2019	7/31/2020	7/31/2020	1.70%	-	608,000.00	608,000.00	-
18-07	2018 Road Improvement Program	5/1/2019	7/31/2020	2/15/2021	2.00%	266,000.00	264,249.00	266,000.00	264,249.00
19-06	Various Technology and Safety Improvements	4/30/2020	4/30/2020	7/31/2020	1.70%	-	294,500.00	294,500.00	-
19-09	2019 Road Improvement Program	4/30/2020	7/31/2020	2/15/2021	2.00%	617,500.00	613,435.00	617,500.00	613,435.00
19-10	Acquisition of PW Vehicles and Equipment	8/30/2019	7/31/2020	2/15/2021	2.00%	237,500.00	235,937.00	237,500.00	235,937.00
Total						\$ 10,835,079.00	\$ 15,180,189.00	\$ 14,355,268.00	\$ 11,660,000.00
Budget Appropriations						\$ -	\$ -	\$ 9,810.13	\$ -
New BAN's Issued						\$ 905,996.00	\$ -	\$ -	\$ -
BAN's Rollover						\$ 14,274,193.00	\$ 14,274,193.00	\$ -	\$ 14,274,193.00
Trust Fund						\$ -	\$ -	\$ 71,264.87	\$ -
Total						\$ 15,180,189.00	\$ 14,355,268.00	\$ 14,355,268.00	\$ 11,660,000.00

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DEC. 31, 2020 DATE	INTEREST RATE	BALANCE DECEMBER 31, 2019	ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2020		
MCIA 2012 - General Improvements	5/22/2012	\$ 6,120,000.00	12/31/2021 \$ 615,000.00 12/31/2022 640,000.00 12/31/2023 675,000.00 12/31/2024 710,000.00 12/31/2025 740,000.00	4.00% 5.00% 5.00% 5.00%	\$ 3,975,000.00	- \$	\$ 595,000.00	\$ 3,380,000.00		
	MCIA 2018 - General Improvements Bonds	2/1/18	\$ 2,690,000.00	1/15/2021 105,000.00 1/15/2022 115,000.00 1/15/2023 120,000.00 1/15/2024 125,000.00 1/15/2025 130,000.00 1/15/2026 135,000.00 1/15/2027 145,000.00 1/15/2028 150,000.00 1/15/2029 160,000.00 1/15/2030 165,000.00 1/15/2031 175,000.00 1/15/2032 180,000.00 1/15/2033 190,000.00 1/15/2034 195,000.00 1/15/2035 200,000.00 1/15/2036 200,000.00	5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00%	2,590,000.00	-	100,000.00	2,490,000.00	
		MCIA 2018 - Open Space Bonds	2/1/18	\$ 5,805,000.00	1/15/2021 200,000.00 1/15/2022 210,000.00 1/15/2023 220,000.00 1/15/2024 235,000.00 1/15/2025 245,000.00 1/15/2026 255,000.00 1/15/2027 270,000.00 1/15/2028 285,000.00 1/15/2029 295,000.00 1/15/2030 310,000.00 1/15/2031 325,000.00 1/15/2032 340,000.00 1/15/2033 350,000.00 1/15/2034 365,000.00 1/15/2035 380,000.00 1/15/2036 380,000.00 1/15/2037 380,000.00 1/15/2038 380,000.00	5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.00% 4.00% 4.00% 4.00% 3.00% 3.00%	5,615,000.00	-	190,000.00	5,425,000.00
			MCIA 2018 - Open Space Bonds	12/23/20	\$ 11,395,000.00	12/1/2021 490,000.00 12/1/2022 490,000.00 12/1/2023 825,000.00 12/1/2024 865,000.00 12/1/2025 910,000.00 12/1/2026 955,000.00 12/1/2027 980,000.00 12/1/2028 980,000.00 12/1/2029 980,000.00 12/1/2030 980,000.00 12/1/2031 980,000.00 12/1/2032 980,000.00 12/1/2033 980,000.00	4.00% 4.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.00%	11,395,000.00	-	-
\$ 12,180,000.00					\$ 11,395,000.00	\$ 885,000.00	\$ 22,690,000.00			

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$	176,382.63
Decreased by:		
Current Fund Budgeted Revenue Realized		176,382.63
Balance, December 31, 2020	\$	-

**TOWNSHIP OF MILLSTONE
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2019	IMPROVEMENT AUTHORIZATIONS	BOND ISSUED	CANCELLED	BALANCE DECEMBER 31, 2020
08-29	Stormwater Management/Washing Facility/Pole Barn	\$ 260,613.20	\$ -	-	-	\$ 260,213.20
10-33	Acquisition of Real Property (COAH)	413,250.00	-	-	-	413,250.00
19-06	Various Technology and Safety Improvements	175,750.00	-	174,593.00	-	1,157.00
19-09	2019 Road Pavement Program	736,250.00	-	731,403.00	-	4,847.00
20-17	Acquisition of an Ambulance and Equipment	-	190,000.00	190,000.00	-	-
20-18	Construction of a Park Maintenance Building and Improvements	-	522,500.00	522,500.00	-	-
20-19	Acquisition of Public Works Vehicles & Equipment	-	195,700.00	195,700.00	-	-
20-20	2020 Road Improvement Program	-	1,729,000.00	1,729,000.00	-	-
	Total	\$ 1,585,863.20	\$ 2,637,200.00	\$ 3,543,196.00	\$ 260,213.20	\$ 419,654.00

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**TOWNSHIP OF MILLSTONE
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2020
Land & Land Improvements	\$ 14,353,168.07	\$ -	\$ -	\$ 14,353,168.07
Buildings	5,878,758.87	-	-	5,878,758.87
Improvement Other Than Buildings	9,184,860.62	-	-	9,184,860.62
Machinery & Equipment	2,696,424.81	263,811.38	220,458.00	2,739,778.19
	<hr/>			
Total	\$ 32,113,212.37	\$ 263,811.38	\$ 220,458.00	\$ 32,156,565.75
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TOWNSHIP OF MILLSTONE

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2020

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**TOWNSHIP OF MILLSTONE
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Financial Statement Findings

No Current Year Findings

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

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

Financial Statement Findings

No Financial Statement Findings in the prior year.

Federal Awards

N/A – No Federal Single Audit in prior year.

State Financial Assistance

N/A – No State Single Audit in prior year.

TOWNSHIP OF MILLSTONE

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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OFFICIALS IN OFFICE

The following officials were in office at December 31, 2020:

<u>Name</u>	<u>Title</u>
Fiore J. Masci	Mayor
Gary Dorfman	Committee Member
Albert Ferro	Committee Member
Nancy Grbelja	Committee Member
Michael T. Kuczinski	Committee Member
Kevin Abernethy	Township Administrator/Acting Chief Financial Officer
Kathleen Hart	Municipal Clerk
Lorraine Maher	Tax Collector
Robin Bucchi	Tax Assessor
Nicole Sonnenblick	Magistrate
Sonia Fernandez	Court Administrator

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2020.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or 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 bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 from January 1, 2020 through June 30, 2020 and \$44,000 from July 1, 2020 through December 31, 2020.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 2, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Millstone, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Millstone, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

None

RECOMMENDATIONS:

None

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
September 1, 2021