

# **TOWNSHIP OF MULLICA**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED**

**December 31, 2023**



**CITY OF NORTHFIELD  
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**TOWNSHIP OF MULLICA**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of Township Committee  
Township of Mullica, New Jersey

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Mullica, as of December 31, 2023, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents. The financial statements of the Township of Mullica as of December 31, 2022 were audited by other auditors whose report dated May 15, 2023 expressed an adverse opinion on those statements in accordance with Generally Accepted Accounting Principles and an unmodified opinion on those statements in conformity with the Regulatory Basis of Accounting as described in Note 1.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 each fund of the Township of Mullica as of December 31, 2023, or changes in financial position for the year then ended.

#### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2023, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Township of Mullica and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting 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 misstatements, whether due to fraud or error.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mullica's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Township of Mullica's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mullica basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2024, on our consideration of the Township of Mullica'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 effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mullica's internal control over financial reporting and compliance.

***Ford, Scott & Associates, L.L.C.***  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

***Nancy Sbrolla***  
**Nancy Sbrolla**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 542**

**April 2, 2024**

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## **EXHIBIT A - CURRENT FUND**

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**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 3,425,259.46	3,627,565.72
Cash - Change	200.00	200.00
Petty Cash Fund	100.00	100.00
Total Cash	<u>3,425,559.46</u>	<u>3,627,865.72</u>
Other Receivables:		
Due from State - Senior & Vet Deductions	2,324.67	2,173.57
Total Other Receivables	<u>2,324.67</u>	<u>2,173.57</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	479,286.13	432,257.40
Tax Title and Other Liens	626,304.02	580,887.89
Property Acquired for Taxes - at Assessed Valuation	2,779,000.00	2,813,600.00
Property Deeded To Township	569,200.00	472,700.00
Due from Grant Fund	-	-
Total Receivables and Other Assets	<u>4,453,790.15</u>	<u>4,299,445.29</u>
Deferred Charges:		
Special Emergency Appropriation	-	-
Total Deferred Charges	<u>-</u>	<u>-</u>
Total Regular Fund	<u>7,881,674.28</u>	<u>7,929,484.58</u>
Federal and State Grant Fund:		
Cash	-	-
Due from Current Fund	530,482.60	479,201.11
Federal and State Grants Receivable	562,969.62	538,641.60
Total Federal and State Grant Fund	<u>1,093,452.22</u>	<u>1,017,842.71</u>
Total Current Fund	<u>\$ 8,975,126.50</u>	<u>8,947,327.29</u>

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2023</u>	<u>2022</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 160,259.77	210,231.49
Reserve for Encumbrances	243,530.98	242,736.65
Accounts Payable	-	25,773.78
Prepaid Taxes	243,708.29	258,252.81
Overpaid Taxes	21,676.96	2,464.37
Local School Tax Payable	5,678.93	567,228.41
Regional High School Tax Payable	713,058.00	658,209.50
County Added Tax Payable	12,467.76	12,533.87
Payroll Taxes Payable	7,836.79	1.80
Due to State:		
DCA Fees	1,696.00	2,400.00
Marriage Licenses	325.00	-
Reserve for Landsale	137,000.00	-
Reserve for JIF Safety Money	-	6,501.12
Reserve for Tax Map Updates	-	800.00
Reserve for Municipal Relief Aid	47,123.25	23,566.40
Interfund Payable:		
Trust - Other	509.95	563.38
Grant Fund	530,482.60	479,201.11
	<u>2,125,354.28</u>	<u>2,490,464.69</u>
 Reserve for Receivables and Other Assets	 4,453,790.15	 4,299,445.29
Fund Balance	<u>1,302,529.85</u>	<u>1,139,574.60</u>
Total Regular Fund	<u>7,881,674.28</u>	<u>7,929,484.58</u>
 Federal and State Grant Fund:		
Unappropriated Reserves	1,459.82	1,305.76
Appropriated Reserves	885,123.87	749,858.39
Due to Current Fund	-	-
Encumbrances Payable	206,868.53	266,678.56
	<u>1,093,452.22</u>	<u>1,017,842.71</u>
Total Federal and State Grant Fund	<u>1,093,452.22</u>	<u>1,017,842.71</u>
 Total Current Fund	 \$ <u><u>8,975,126.50</u></u>	 <u><u>8,947,327.29</u></u>

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized		
Fund Balance	\$ 1,020,000.00	1,020,000.00
Miscellaneous Revenue Anticipated	1,444,189.99	2,006,409.97
Receipts from Delinquent Taxes	439,497.76	472,004.16
Receipts from Current Taxes	15,868,353.66	15,195,961.68
Non Budget Revenue	91,776.90	100,316.86
Sale of Foreclosed Property	16,500.00	31,854.00
Sale of Municipal Assets	235.00	10,255.00
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	253,487.66	191,075.79
Cancelled Accounts Payable	-	8,098.00
Cancelled Grants	-	8,491.28
Total Income	<u>19,134,040.97</u>	<u>19,044,466.74</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,103,320.00	2,046,125.00
Other Expenses	2,263,365.29	2,156,911.06
Deferred Charges & Statutory Expenditures	599,339.00	602,337.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	154,903.00	95,000.00
Other Expenses	984,369.55	1,514,604.68
Capital Improvements	261,640.00	175,477.00
Debt Service	325,374.00	305,279.94
Deferred Charges	-	39,000.00
Local District School Tax	4,421,358.00	4,944,457.00
Regional High School District Tax	3,775,498.00	3,665,801.00
County Tax	3,048,961.12	2,806,176.46
County Share of Added Tax	12,467.76	12,533.87
Cancellation of Grants Receivable	-	8,491.28
Prior Year Senior Citizen and Vets Disallowed	-	207.00
Refund Prior Year Revenue	490.00	-
Total Expenditures	<u>17,951,085.72</u>	<u>18,372,401.29</u>
Excess in Revenue	<u>1,182,955.25</u>	<u>672,065.45</u>

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2023</u>	<u>2022</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	-	-
Emergency Appropriation		
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>1,182,955.25</u>	<u>672,065.45</u>
Fund Balance January 1	<u>1,139,574.60</u>	<u>1,487,509.15</u>
	2,322,529.85	2,159,574.60
Decreased by:		
Utilization as Anticipated Revenue	<u>1,020,000.00</u>	<u>1,020,000.00</u>
Fund Balance December 31	<u>\$ 1,302,529.85</u>	<u>1,139,574.60</u>



**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 1,020,000.00		1,020,000.00	-
Total Fund Balance Anticipated	1,020,000.00	-	1,020,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	4,500.00		4,550.00	50.00
Municipal Court	10,000.00		19,446.99	9,446.99
Interest and Costs on Taxes	100,000.00		89,167.80	(10,832.20)
Interest on Investments and Deposits	38,600.00		51,132.50	12,532.50
Trailer Pad Fees	40,000.00		50,436.43	10,436.43
Cell Tower Revenues	40,000.00		54,038.36	14,038.36
Total Section A: Local Revenues	233,100.00	-	268,772.08	35,672.08
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	454,899.00		454,899.00	-
Garden State Trust	41,440.00		51,031.00	9,591.00
Municipal Relief Aid	23,566.00		23,566.00	-
Total Section B: State Aid Without Offsetting Appropriations	519,905.00	-	529,496.00	9,591.00
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	110,000.00		68,293.00	(41,707.00)
Total Section C: Uniform Construction Code Fees	110,000.00	-	68,293.00	(41,707.00)

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section D: Interlocal Municipal Service Agreements Offset with Appropriations				
Interlocal Agreement - Construction Official	77,500.00		77,500.00	-
Interlocal Agreement - School Resource Officer	95,000.00		69,034.82	(25,965.18)
Total Section D: Interlocal Municipal Service Agreements Offset with Appropriations	172,500.00	-	146,534.82	(25,965.18)
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Recycling Tonnage Grant	5,176.92		5,176.92	-
Municipal Alliance on Alcoholism & Drug Abuse	7,137.84		7,137.84	-
Community Development Block Grant		14,950.00	14,950.00	-
Distracted Driver Grant	7,000.00		7,000.00	-
Click or Ticket		7,000.00	7,000.00	
Clean Communities		25,155.19	25,155.19	
Safe & Secure Communities	16,604.00		16,604.00	
DMHAS Youth Leadership	3,124.38		3,124.38	
NJDOT	261,640.00		261,640.00	
Drive Sober or Get Pulled Over		7,000.00	7,000.00	
NJDEP Stormwater Grant		75,000.00	75,000.00	
Body Armor Grant	1,305.76		1,305.76	
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	301,988.90	129,105.19	431,094.09	-

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

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section G: Special Items of Revenue Anticipated with Prior Written Consent of Director Capital Fund Surplus			-	-
Total Section G: Special Items of Revenue Anticipated with Prior Written Consent of Director	-	-	-	-
Total Miscellaneous Revenues:	1,337,493.90	129,105.19	1,444,189.99	(22,409.10)
Receipts from Delinquent Taxes	425,000.00		439,497.76	14,497.76
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	4,498,297.23		4,723,528.26	225,231.03
Total Amount to be Raised by Taxes for Support of Municipal Budget	4,498,297.23	-	4,723,528.26	225,231.03
Budget Totals	7,280,791.13	129,105.19	7,627,216.01	217,319.69
Non- Budget Revenues: Other Non- Budget Revenues:			91,776.90	91,776.90
	7,280,791.13	129,105.19	7,718,992.91	309,096.59

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 15,868,353.66
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Less: Reserve for Tax Appeals Pending	-
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Net Revenue from Collections	15,868,353.66
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Allocated to:

School, County and Other Taxes	11,858,284.88
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Balance for Support of Municipal Budget Appropriations	4,010,068.78
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	713,459.48
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Amount for Support of Municipal Budget Appropriations	4,723,528.26
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	421,106.70	
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Tax Title Lien Collections	18,391.06	
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Total Receipts from Delinquent Taxes	439,497.76
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Miscellaneous	10,157.52	
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Fees and Permits	29,390.53	
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Licenses	5,413.00	
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Community Champions Registration Fees	2,400.00	
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Cable Franchise Fees	22,154.43	
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Administrative Operations	21,261.42	
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Billboard Lease	1,000.00	
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Total Miscellaneous Revenue Not Anticipated:	\$ 91,776.90
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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration						
Salaries and Wages	\$ 56,000.00	61,300.00	60,840.70		459.30	-
Other Expenses	5,000.00	3,000.00	1,582.59	115.00	1,302.41	-
Township Committee						
Salaries and Wages	15,000.00	15,000.00	15,000.00		-	-
Other Expenses	5,200.00	2,700.00	1,817.73		882.27	-
Municipal Clerk						
Salaries and Wages	133,000.00	102,000.00	99,648.84		2,351.16	-
Other Expenses	22,000.00	27,000.00	21,120.85	114.86	5,764.29	-
Financial Administration						
Salaries and Wages	76,720.00	76,720.00	76,716.90		3.10	-
Other Expenses	17,000.00	17,000.00	12,141.31	1,632.90	3,225.79	-
Audit Services						
Other Expenses	27,000.00	27,000.00	27,000.00		-	-
Technology						
Salaries and Wages	9,000.00	9,000.00	8,929.96		70.04	-
Other Expenses	23,000.00	18,000.00	12,970.84		5,029.16	-
Collection of Taxes						
Salaries and Wages	70,000.00	71,000.00	70,744.69		255.31	-
Other Expenses	13,700.00	15,700.00	12,182.46		3,517.54	-
Tax Assessment Administration						
Salaries and Wages	43,600.00	43,600.00	41,829.75		1,770.25	-
Other Expenses	7,100.00	12,100.00	10,229.80		1,870.20	-
Legal Services						
Other Expenses	120,000.00	118,000.00	78,409.44	37,825.00	1,765.56	-
Engineering Services and Costs						
Other Expenses	35,000.00	30,000.00	12,639.55	5,933.00	11,427.45	-
Historical Society						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
<b>LAND USE ADMINISTRATION</b>						
Planning Board						
Salaries and Wages	7,500.00	7,500.00	6,941.79		558.21	-
Other Expenses	18,500.00	6,500.00	3,599.51	750.00	2,150.49	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>INSURANCE</b>						
General Liability	115,610.00	115,610.00	115,610.00	-	-	-
Worker's Compensation	92,000.00	92,000.00	91,123.01	-	876.99	-
Employee Group Insurance	834,080.00	834,080.00	834,080.00	-	-	-
Health Benefits Waiver	17,000.00	13,000.00	12,475.04	-	524.96	-
Unemployment Compensation Insurance	12,000.00	12,000.00	9,341.74	-	2,658.26	-
<b>PUBLIC SAFETY</b>						
Police						
Salaries and Wages	1,363,000.00	1,364,200.00	1,363,599.82	-	600.18	-
Other Expenses	112,000.00	117,000.00	50,009.67	62,476.72	4,513.61	-
Office of Emergency Management						
Salaries and Wages	4,500.00	4,500.00	4,326.75	-	173.25	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
Aid to Volunteer Fire Companies	69,000.00	69,000.00	69,000.00	-	-	-
<b>PUBLIC WORKS</b>						
Public Works						
Salaries and Wages	194,500.00	189,500.00	186,802.33	-	2,697.67	-
Other Expenses	50,000.00	45,000.00	13,594.64	29,022.00	2,383.36	-
Storm Recovery	1.00	1.00	-	-	1.00	-
Public Building and Grounds						
Other Expenses	39,750.00	59,750.00	40,351.88	16,359.86	3,038.26	-
Vehicle Maintenance	100,000.00	113,000.00	109,135.32	1,500.00	2,364.68	-
<b>SANITATION</b>						
Landfill & Solid Waste Disposal Costs						
Other Expenses	197,500.00	209,500.00	178,912.62	19,554.38	11,033.00	-
<b>HEALTH AND WELFARE</b>						
Animal Control Services						
Other Expenses	8,000.00	8,000.00	6,000.00	-	2,000.00	-
Environmental Commission						
Other Expenses	200.00	200.00	-	-	200.00	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>RECREATION AND EDUCATION</b>						
Senior Citizen Advisory Commission						
Other Expenses	1,000.00	1,000.00	738.90		261.10	-
Recreation Services & Programs						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
Maintenance of Parks						
Other Expenses	25,000.00	25,000.00	19,336.87	1,000.00	4,663.13	-
<b>UNIFORM CONSTRUCTION CODE</b>						
Construction Official						
Salaries and Wages	78,000.00	79,000.00	79,000.00		-	-
Other Expenses	4,550.00	4,550.00	3,305.79		1,244.21	-
Other Code Enforcement Functions						
Salaries and Wages	20,000.00	20,000.00	19,247.47		752.53	-
Other Expenses	2,500.00	2,500.00	701.74		1,798.26	-
<b>UNCLASSIFIED</b>						
Utilities						
Electricity & Natural Gas	80,000.00	90,000.00	89,881.77		118.23	-
Telecommunications Costs	29,000.00	29,000.00	22,695.43	1,740.23	4,564.34	-
Petroleum Products	105,000.00	105,000.00	75,243.22	27,193.52	2,963.26	-
Settlement Award	30,174.29	30,174.29	30,174.29		-	-
Accumulated Leave Compensation	60,000.00	60,000.00	60,000.00		-	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<u>4,359,685.29</u>	<u>4,366,685.29</u>	<u>4,069,035.01</u>	<u>205,217.47</u>	<u>92,432.81</u>	<u>-</u>

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	4,359,685.29	4,366,685.29	4,069,035.01	205,217.47	92,432.81	-
Detail:						
Salaries and Wages	2,130,820.00	2,103,320.00	2,093,629.00	-	9,691.00	-
Other Expenses	2,228,865.29	2,263,365.29	1,975,406.01	205,217.47	82,741.81	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	103,853.00	103,853.00	103,853.00		-	-
Social Security System (O.A.S.I.)	175,000.00	168,000.00	167,833.31		166.69	-
Police and Fireman's Pension Fund	324,986.00	324,986.00	324,986.00		-	-
Defined Contribution Retirement Program	2,500.00	2,500.00	193.08		2,306.92	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	606,339.00	599,339.00	596,865.39	-	2,473.61	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	4,966,024.29	4,966,024.29	4,665,900.40	205,217.47	94,906.42	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Employee Group Insurance	91,920.00	91,920.00	89,372.31		2,547.69	-
Public Employees' Retirement System	12,212.00	12,212.00	12,212.00		-	-
Police and Fireman's Pension Fund	53,103.00	53,103.00	53,103.00		-	-
NJ DEP Stormwater Management						
Other Expenses	12,000.00	12,000.00		6,000.00	6,000.00	-
Interlocal Municipal Service Agreements						
Police Dispatch	260,000.00	252,200.00	252,178.34		21.66	-
School Resource Officer	95,000.00	95,000.00	59,745.07		35,254.93	-
Solid Waste Collection	320,000.00	337,800.00	301,508.93	32,313.51	3,977.56	-
Municipal Court	10,000.00	10,000.00	-		10,000.00	-
Construction Officer	77,500.00	67,500.00	59,948.49		7,551.51	-
	931,735.00	931,735.00	828,068.14	38,313.51	65,353.35	-



**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
(A) Public and Private Programs Off-Set by Revenues					
Clean Communities		25,155.19	25,155.19	-	-
Municipal Alliance on Alcoholism and Drug Abuse					
State Match	7,137.84	7,137.84	7,137.84	-	-
Local Match	1,784.46	1,784.46	1,784.46	-	-
Recycling Tonnage Grant	5,176.92	5,176.92	5,176.92	-	-
Safe and Secure Communities	16,604.00	16,604.00	16,604.00	-	-
Local Match	36,299.00	36,299.00	36,299.00	-	-
Distracted Driver Grant	7,000.00	7,000.00	7,000.00	-	-
Click it or Ticket			7,000.00	-	-
CDBG		14,950.00	14,950.00	-	-
NJDEP Stormwater Grant		75,000.00	75,000.00	-	-
Drive Sober or Get Pulled Over		7,000.00	7,000.00	-	-
DMHAS Youth Leadership Grant	3,124.38	3,124.38	3,124.38	-	-
Body Armor Grant	1,305.76	1,305.76	1,305.76	-	-
Total Public and Private Programs Off-Set by Revenues	78,432.36	207,537.55	207,537.55	-	-
Total Operations - Excluded from "CAPS" Detail:	1,010,167.36	1,139,272.55	1,035,605.69	38,313.51	65,353.35
Salaries and Wages	154,903.00	154,903.00	119,648.07	-	35,254.93
Other Expenses	855,264.36	984,369.55	915,957.62	38,313.51	30,098.42
(C) Capital Improvements					
Capital Improvement Fund	-	-	-	-	-
NJ Department of Transportation	261,640.00	261,640.00	261,640.00	-	-
Total Capital Improvements	261,640.00	261,640.00	261,640.00	-	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
(D) Debt Service					
Payment of Bond Principal	180,000.00	180,000.00	180,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	100,000.00	100,000.00	100,000.00	-	-
Interest on Bonds	18,500.00	18,500.00	18,500.00	-	-
Interest on Notes	31,000.00	31,000.00	26,874.00	-	4,126.00
Total Debt Service	<u>329,500.00</u>	<u>329,500.00</u>	<u>325,374.00</u>	<u>-</u>	<u>4,126.00</u>
(E) Deferred Charges					
Special Emergency Authorizations - 5 years	-	-	-	-	-
Total Deferred Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>1,601,307.36</u>	<u>1,730,412.55</u>	<u>1,622,619.69</u>	<u>38,313.51</u>	<u>4,126.00</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>6,567,331.65</u>	<u>6,696,436.84</u>	<u>6,288,520.09</u>	<u>243,530.98</u>	<u>4,126.00</u>
(M) Reserve for Uncollected Taxes	<u>713,459.48</u>	<u>713,459.48</u>	<u>713,459.48</u>		<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 7,280,791.13</u>	<u>7,409,896.32</u>	<u>7,001,979.57</u>	<u>243,530.98</u>	<u>4,126.00</u>
Budget		7,280,791.13		Cancelled	4,126.00
Appropriations by 40A.4-87		129,105.19		Overexpended	-
Emergency Appropriations		<u>-</u>			<u>4,126.00</u>
		<u>7,409,896.32</u>			
Reserve for Uncollected Taxes		713,459.48			
Capital Improvement Fund		469,177.55			
Federal and State Grants		-			
Deferred Charges		5,819,342.54			
Disbursements		<u>7,001,979.57</u>			

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

## **EXHIBIT B - TRUST FUNDS**

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**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Dog License Fund:		
Cash	\$ 267.71	78.91
Due from State of New Jersey	-	-
	<u>267.71</u>	<u>78.91</u>
Other Funds:		
Cash - Treasurer	478,162.77	512,157.13
Cash - Collector	232,800.00	544,574.80
Cash - Landfill Closure	92,117.68	91,191.97
Revolving Loans Receivable	396,307.31	410,137.31
Due from Current Fund	509.95	563.38
	<u>1,199,897.71</u>	<u>1,558,624.59</u>
	<u>1,200,165.42</u>	<u>1,558,703.50</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to State of New Jersey	-	-
Reserve for Dog Fund Expenditures	267.71	78.91
	<u>267.71</u>	<u>78.91</u>
Other Funds:		
Due to Current Fund	-	-
Miscellaneous Reserves	1,199,897.71	1,558,624.59
	<u>1,199,897.71</u>	<u>1,558,624.59</u>
	<u>\$ 1,200,165.42</u>	<u>1,558,703.50</u>

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

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## **EXHIBIT C - GENERAL CAPITAL FUND**

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**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash	\$ 666,481.81	234,179.48
Deferred Charges to Future Taxation -		
Funded	190,000.00	370,000.00
Unfunded	1,149,000.00	774,000.00
Interfunds and Receivables		
Due from Current Fund	-	
	<u>2,005,481.81</u>	<u>1,378,179.48</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	190,000.00	370,000.00
Bond Anticipation Notes Payable	1,149,000.00	774,000.00
Contracts Payable	87,909.11	
Improvement Authorizations:		
Funded	22,668.29	26,586.02
Unfunded	394,562.99	21,252.04
Capital Improvement Fund	147,640.60	172,640.60
Fund Balance	13,700.82	13,700.82
	<u>\$ 2,005,481.81</u>	<u>1,378,179.48</u>

There were bonds and notes authorized but not issued at December 31,

2022	-
2023	-

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

	<u>2023</u>	<u>2022</u>
Beginning Balance January 1	\$ 13,700.82	13,700.82
Increased by:		
No Current Year Activity	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Decreased by:		
No Current Year Activity	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Ending Balance December 31	\$ <u>13,700.82</u>	<u>13,700.82</u>

## **EXHIBIT G - GENERAL FIXED ASSETS**

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**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS**  
**AS OF DECEMBER 31,**

	<u>2023</u>	<u>2022</u>
General Fixed Assets:		
Land and Buildings	\$ 2,317,420.25	2,317,420.25
Machinery and Equipment	<u>5,496,145.44</u>	<u>5,376,472.66</u>
Total General Fixed Assets	<u><u>7,813,565.69</u></u>	<u><u>7,693,892.91</u></u>
Investment in General Fixed Assets	\$ <u><u>7,813,565.69</u></u>	<u><u>7,693,892.91</u></u>

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

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**TOWNSHIP OF MULLICA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the Township of Mullica include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Mullica, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Board of Education of the Township is a component unit. However, under the regulatory basis of accounting in New Jersey, the component unit is neither blended nor shown in a discrete presentation in the financial statements of the Township. The Board of Education does have an independent audit performed and a copy is available at the Board's offices.

**B. Description of Funds**

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

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

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

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

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

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

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

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

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

General Fixed Assets -- The Township has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$5,000 are capitalized.

No depreciation has been provided for in the financial statements.

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

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



**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Mullica to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Capitalization of Interest -- It is the policy of the Township of Mullica to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

**E. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**F. Recent Accounting Pronouncements Not Yet Effective**

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement is effective for periods beginning after June 15, 2022 and June 15, 2023, and will not have any effect on the Township's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This statement is effective for fiscal years beginning after June 15, 2023, and will not have any effect on the Township's financial reporting.

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement is effective for fiscal years beginning after December 15, 2023, and will not have any effect on the Township's financial reporting.

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2023 and 2022 statutory budgets included a reserve for uncollected taxes in the amount of \$713,459.48 and \$673,336.35, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2023 and 2022 statutory budgets was \$1,020,000.00 and \$1,020,000.00, respectively.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Township Committee. The following significant transfers were noted for 2023 and 2022:

<u>Budget Category</u>	<u>2023</u>	<u>2022</u>
Municipal Clerk		
Salaries and Wages	\$ (31,000.00)	
Employee Group Health		22,000.00
Police		
Salaries and Wages		(30,000.00)
Other Expenses		20,000.00
Public Buildings and Grounds		
Other Expenses	20,000.00	
Streets and Roads		
Other Expenses		(20,000.00)
Landfill and Solid Waste Disposal		
Other Expenses		19,920.06
Petroleum Products		25,000.00

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2023 and 2022, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2023</u>	<u>2022</u>
DMHAS Grant	\$ -	3,124.38
Clean Communities	25,155.19	22,427.83
Click It or Ticket	7,000.00	7,000.00
Federal Bulletproof Vest Partnership	-	1,732.80
Drive Sober or Get Pulled Over	7,000.00	13,000.00
Community Development Block Grant	14,950.00	20,947.18
Firefighter ARP Grant	-	18,000.00
NJDEP Stormwater	75,000.00	-

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**Note 3: INVESTMENTS**

**Interest Rate Risk.** The municipality 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. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The municipality places no limit on the amount the Township can invest in any one issuer.

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2023 and 2022, \$564,596.76 and \$892,493.26 of the municipality's bank balance of \$5,317,013.50 and \$5,057,356.57, respectively, was exposed to custodial credit risk.

**Note 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2023 and 2022:

	Balance 12/31/2022	Additions	Retirements/ Adjustments	Balance 12/31/2023
Land & Buildings	\$ 2,317,420.25			2,317,420.25
Machinery & Equipment	5,376,472.66	119,672.78		5,496,145.44
	<u>\$ 7,693,892.91</u>	<u>119,672.78</u>	<u>-</u>	<u>7,813,565.69</u>

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022
Land & Buildings	\$ 2,293,007.75	24,412.50		2,317,420.25
Machinery & Equipment	5,262,380.48	151,178.71	(37,086.53)	5,376,472.66
	<u>\$ 7,555,388.23</u>	<u>175,591.21</u>	<u>(37,086.53)</u>	<u>7,693,892.91</u>

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**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/22	Issued	Retired	Balance 12/31/23
Bond Anticipation Notes payable:				
General	\$ 774,000.00	475,000.00	100,000.00	1,149,000.00
	<u>\$ 774,000.00</u>	<u>475,000.00</u>	<u>100,000.00</u>	<u>1,149,000.00</u>
	Balance 12/31/21	Issued	Retired	Balance 12/31/22
Bond Anticipation Notes payable:				
General	\$ 874,000.00	774,000.00	874,000.00	774,000.00
	<u>\$ 874,000.00</u>	<u>774,000.00</u>	<u>874,000.00</u>	<u>774,000.00</u>

The notes were issued on October 24, 2023, and are both due and payable on July 24, 2024 with interest at 4.267%. As of December 31, 2023 the Township has authorized but not issued bonds in the amount of \$0 in the General Capital Fund.

**Note 7: LONG-TERM OBLIGATIONS**

Long-term debt as of December 31, 2023 and 2022 consisted of the following:

	Balance 12/31/22	Issued	Retired	Balance 12/31/23	Amounts Due Within One Year
Bonds payable:					
General	\$ 370,000.00		180,000.00	190,000.00	190,000.00
Total	<u>370,000.00</u>	<u>-</u>	<u>180,000.00</u>	<u>190,000.00</u>	<u>190,000.00</u>
Other liabilities:					
PERS Liability	1,015,006.00	373,982.00		1,388,988.00	
PFRS Liability	1,969,210.00	1,358,397.00		3,327,607.00	
Compensated Absences Payable	278,465.61	207,503.00	283,423.00	202,545.61	-
Total long-term liabilities	<u>\$ 3,632,681.61</u>	<u>1,939,882.00</u>	<u>463,423.00</u>	<u>5,109,140.61</u>	<u>190,000.00</u>
	Balance 12/31/21	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
Bonds payable:					
General	\$ 540,000.00		170,000.00	370,000.00	180,000.00
Total	<u>540,000.00</u>	<u>-</u>	<u>170,000.00</u>	<u>370,000.00</u>	<u>180,000.00</u>
Other liabilities:					
PERS Liability	1,408,149.00		393,143.00	1,015,006.00	
PFRS Liability	3,624,286.00		1,655,076.00	1,969,210.00	
Compensated Absences Payable	400,682.87		122,217.26	278,465.61	-
Total long-term liabilities	<u>\$ 5,973,117.87</u>	<u>-</u>	<u>2,340,436.26</u>	<u>3,632,681.61</u>	<u>180,000.00</u>

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**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the entity:**

\$1,310,000.00 General Improvement Bond dated 10/26/16 payable in annual installments through 10/15/24. Interest is paid semiannually at rates varying from 2.00% to 5.00% per annum. The balance remaining as of December 31, 2023 was \$190,000.00.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

	General Fund	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 190,000.00	9,500.00

As of December 31, 2023 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$45,374.00.

<u>Summary of Municipal Debt</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 190,000.00	370,000.00	540,000.00
General - Bond Anticipation Notes	1,149,000.00	774,000.00	874,000.00
Total Issued	1,339,000.00	1,144,000.00	1,414,000.00
<u>Authorized but not issued:</u>			
General - Bonds and Notes	-	-	-
Total Authorized But Not Issued	-	-	-
Total Bonds & Notes Issued and Authorized But Not Issued	\$ 1,339,000.00	1,144,000.00	1,414,000.00

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .222%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,905,000.00	1,905,000.00	-
Regional School District Debt	2,349,006.13	2,349,006.13	-
General Debt	1,339,000.00	-	1,339,000.00
	5,593,006.13	4,254,006.13	1,339,000.00

Net Debt \$1,339,000.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$601,874,802.00 = .222%.

**TOWNSHIP OF MULLICA**  
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Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 21,065,618.07
Net Debt	1,339,000.00
Remaining Borrowing Power	<u>\$ 19,726,618.07</u>

The Township of Mullica School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**Note 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2023 and 2022, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current Fund	\$ 1,101,000	1,020,000

**Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the Township had no deferred charges.

**Note 10: SCHOOL TAXES**

Local District School Tax in the amounts of \$5,021,358.00 and \$4,916,058.96 have been raised for the 2023 and 2022 calendar years, respectively and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Balance of Tax	\$ 2,510,678.93	2,472,228.41
Deferred	2,505,000.00	1,905,000.00
Tax Payable	<u>\$ 5,678.93</u>	<u>567,228.41</u>

Regional District School Tax in the amounts of \$3,775,498.00 and \$3,492,201.00 have been raised for the 2023 and 2022 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

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Regional District School Taxes have been raised resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	12/31/2023	12/31/2022
Balance of Tax	\$ 1,887,749.00	1,832,900.50
Deferred	1,174,691.00	1,174,691.00
Tax Payable	<u>\$ 713,058.00</u>	<u>658,209.50</u>

**Note 11: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/23	Balance 12/31/22
Prepaid Taxes	\$ 243,708.29	258,252.81
Cash Liability for Taxes Collected in Advance	<u>\$ 243,708.29</u>	<u>258,252.81</u>

**Note 12: PENSION FUNDS**

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) cost sharing multiple-employer defined benefit pension plan which has been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

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

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

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Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA43:15C-1 et seq). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The Township's contributions to PERS for the years ended December 31, 2023 and 2022 were \$550,928.00 and \$601,857.00, respectively.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the year ended December 31, 2023 and 2022 were \$1,174,312.00 and \$1,098,514.00, respectively.

The total payroll for the year ended December 31, 2023 was \$2,213,322.56. Payroll covered by PERS was \$550,928.00. Payroll covered by PFRS was \$1,174,312.00

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those



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employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**Note 13: PENSION LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2022:

**Public Employees' Retirement System**

The Municipality has a liability of \$1,388,988.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Municipality's proportion would be .00920385250%, which would be an increase of 7.40% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Municipality would have recognized pension expense of (67,155.00). At December 31, 2022, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 10,025.00	(8,841.00)
Changes of assumptions	4,304.00	(207,986.00)
Changes in proportion	153,336.00	(25,446.00)
Net difference between projected and actual earnings on pension plan investments	57,489.00	
Total	<u>\$ 225,154.00</u>	<u>(242,273.00)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2023	\$ (15,648)
2024	(5,763)
2025	(405)
2026	4,733
2027	(37)
Total	<u>\$ (17,119)</u>

**Actuarial Assumptions**

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

*Discount Rate*

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

*Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.*

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

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 1,665,681	1,388,988.00	1,153,772.49

*Pension plan fiduciary net position.*

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

**Police and Firemen's Retirement System**

The Municipality has a liability of \$3,327,607.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2021 that was rolled forward to June 30, 2022. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Municipality's proportion would be .02907132000%, which would be an increase of 7.90% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Municipality would have recognized pension expense of \$(31,202.00). At December 31, 2022, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 150,616.00	(203,861.00)
Changes of assumptions	9,120.00	-418880
Changes in proportion	523,231.00	(215,227)
Net difference between projected and actual earnings on pension plan investments	304,711.00	
Total	<u>\$ 987,678.00</u>	<u>(837,968.00)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2023	\$ 157,408
2024	100,593
2025	95,826
2026	(200,167)
2027	(1,929)
Thereafter	(2,022)
Total	<u>\$ 149,710</u>

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**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation of July 1, 2020, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25% - 16.25% (based on years of service)
Investment rate of return:	7.00%

Employee mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability rates were based on the Pub-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

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**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

*Discount Rate*

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

*Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.*

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

	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 4,702,336.83	3,327,607.00	2,183,271.97

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2022 State special funding situation net pension liability amount of \$2,037,115,833.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2022 State special funding situation pension expense of \$235,029,281.00 is

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.02907132000% for 2022. The net pension liability amount allocated to the Municipality was \$592,216.00. For the fiscal year ending June 30, 2022 State special funding situation pension expense of \$68,326.00 is allocated to the Municipality.

*Pension plan fiduciary net position.*

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

**Note 14: OTHER POST-RETIREMENT BENEFITS**

*General Information about the Plan:*

The Municipality offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), 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 retired employees. Under Chapter 48, the employer may assume the cost of post retirement 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;

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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.

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.

*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 expense, however under the Regulatory Basis of Accounting followed by the Municipality these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$3,872,142,278, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB 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 non special funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and non-employer allocation percentages have been rounded for presentation purposes.

*Net OPEB Liability:*

*Components of Net OPEB Liability*

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2022 is as follows:

	<b>June 30, 2022</b>	
	<b>Collective Total</b>	<b>Proportionate Share</b>
Total OPEB Liability	\$ 16,090,925,144	6,814,668
Plan Fiduciary Net Position	(58,670,334)	(24,847)
Net OPEB Liability	<u>\$ 16,149,595,478</u>	<u>6,839,515</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	-0.36%

At June 30, 2022 the Municipality's proportionate share of the Collective Net OPEB Liability was \$6,839,515. The Municipality's proportion of the Collective Net OPEB Liability was .042351% which was an increase from the prior year of 5.84%.



**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

For the Year ended June 30, 2022 the Municipality's Total OPEB Expense was \$0.00. The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return  
Including Inflation rate 3.54%

Salary increases\*:

PERS	<u>Completed Years of Service</u>	<u>Annual Rate of Increase (%)</u>
	0 6.55	
	5	5.75
	10	4.75
	15	3.75
	20	3.15
	25	2.85
	>=29	2.75

PFRS	<u>Completed Years of Service</u>	<u>Annual Rate of Increase (%)</u>
	0 16.25	
	5	11.00
	10	6.00
	15	4.00
	>=17	3.25

Mortality:

Pre-Retirement Healthy Mortality:

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

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

Post-Retirement Healthy Mortality

Chapter 330 Retirees: PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Retirees: PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disable Retiree Mortality:

PERS Future Disabled Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS Future Disabled Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

Chapter 330 Current Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Current Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

*Discount Rate*

The discount rate for June 30, 2022 was 3.54%. The discount rate will change each year based on the Bond Buyer Go 20-Bond Municipal Bond Index each year.

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

The following presents the Net OPEB liability as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

		1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Collective				
Net OPEB Liability	\$	18,720,632,230	16,149,595,478	14,080,955,857
Proportionate Share				
Net OPEB Liability	\$	7,928,375	6,839,515	5,963,425

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

The following presents the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		1% Decrease	Healthcare cost Trend Rate	1% Increase
Collective				
Net OPEB Liability	\$	13,700,188,049	16,149,595,478	19,286,596,671
Proportionate Share				
Net OPEB Liability	\$	5,802,166	6,839,515	8,168,066

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

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

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Collective Totals		Proportionate Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 833,982,363	(2,993,448,535)	-	-
Changes of assumptions	2,155,230,462	(5,511,545,572)	-	-
Net difference between projected and actual earnings on OPEB plan investments	4,251,491		-	-
Changes in proportion and differences between contributions and proportionate share of contributions			-	-
Total	\$ 2,993,464,316	(8,504,994,107)	-	-

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Collective Totals	Proportionate Share
2023	\$ (1,463,380,541.00)	-
2024	(1,464,672,406.00)	-
2025	(1,156,630,075.00)	-
2026	(516,557,746.00)	-
2027	(115,810,526.00)	-
Thereafter	(794,478,497.00)	-
Total	\$ (5,511,529,791.00)	-

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

*Collective OPEB Expenses reported by the State of New Jersey*

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2022 are as follows:

Service cost	\$ 796,654,029
Interest on Total OPEB Liability	401,372,615
Expected Investment Return	86,955
Administrative Expenses	12,334,441
Changes of Benefit Terms	402,474,416
Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources:	
Differences between Expected and Actual Experience	(630,413,303)
Changes in Assumptions	(835,585,441)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	4,032,008
Total Collective OPEB Expense	\$ 150,955,720

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

*Schedule of Municipality's Share of Net OPEB Liability*

	<u>2022</u>	<u>2021</u>
Municipality's Proportionate Share of Net OPEB Liability	0.042351%	0.040013%
Municipality's Share of Net OPEB Liability	\$ 6,839,515.00	7,202,252.00
Municipality's Covered Payroll	2,213,322.56	2,134,249.82
Municipality's Proportionate Share of the Net OPEB Liability as a percentage of its Covered-Employee Payroll	309%	337%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	0.28%

**Note 15: ECONOMIC DEPENDENCY**

The Township of Mullica is not economically dependent on any one business or industry as a major source of tax revenue for the Township.

**Note 16: 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.

**Property and Liability Insurance** - The Township maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2018 and 2017 the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of \$100,000 under JIF, which increases to \$10,000,000 under MEL.

**Note 17: DEFERRED COMPENSATION**

Employees of the Township of Mullica may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

**TOWNSHIP OF MULLICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**Note 18: CONTINGENT LIABILITIES**

From time to time, the Township is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the Township's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**Note 19: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2018, the following interfunds were included on the balance sheets of the various funds of the Township of Mullica:

	Due From	Due To
Current Fund:		
Grant Fund	\$ -	530,482.60
Trust - Other		509.95
Grant Fund:		
Current Fund	530,482.60	
Trust Fund		
Current Fund	509.95	-
	\$ 530,992.55	530,992.55

The interfunds occurred due to the fact that several of the grants received by Township are reimbursed after the funds have been expended.

**Note 20: LEASE OBLIGATIONS**

Operating Leases

In July 2023, the Township entered into an agreement to lease a trailer under an operating lease. The term for the lease is 24 months and it will expire on July 13, 2025. The total monthly payment for the lease is \$210.00.

The total operating lease payments in 2023 was \$1,050.00.

The following is a schedule of the future minimum lease payments under these leases and the net minimum lease payments at December 31, 2023.

2024:	\$2,520.00
2025:	1,470.00

**Note 21: SUBSEQUENT EVENTS**

The Township has evaluated subsequent events through April 2, 2024, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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## **SUPPLEMENTARY INFORMATION**

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

The Honorable Mayor and  
Members of Township Committee  
Township of Mullica, New Jersey

We have audited, in accordance with the 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, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the Township of Mullica, State of New Jersey, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 2, 2024, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Mullica prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of 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 deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Nancy Sbrolla*  
Nancy Sbrolla  
Certified Public Accountant  
Registered Municipal Accountant  
No. 542

April 2, 2024

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

		<u>Current Fund</u>
Balance December 31, 2022	\$	3,627,565.72
Increased by Receipts:		
Taxes Receivable	15,561,850.85	
Delinquent Taxes	438,871.70	
Revenue Accounts Receivable	989,529.90	
Miscellaneous Revenue	91,776.90	
Prepaid Taxes	243,708.29	
Due to Grants	399,128.74	
Sale of Municipal Assets	235.00	
Sale of Foreclosed Property	16,500.00	
Reserve for Municipal Relief Aid	47,123.25	
Reserve for Land Sale	137,000.00	
State of New Jersey		
Senior Citizens and Veterans	46,848.90	
Marriage Licenses	575.00	
DCA Fees	6,021.00	
Tax Overpayments	19,212.59	
		<u>17,998,382.12</u>
		21,625,947.84
Decreased by Disbursements:		
Current Year Appropriation	5,819,342.54	
Prior Year Appropriations	199,480.48	
County Taxes	3,048,961.12	
County Added Taxes	12,533.87	
Local District School Taxes	4,982,907.48	
Regional High School Taxes	3,720,649.50	
Due to Federal and State Grant Fund	391,624.95	
Due to State of New Jersey		
Marriage Licenses	250.00	
DCA Fees	5,317.00	
Reserve for Tax Map	800.00	
Reserve for JIF Safety	6,501.12	
Tax Overpayment Repayment		
Refunds	12,320.32	
		<u>18,200,688.38</u>
Balance December 31, 2023	\$	<u><u>3,425,259.46</u></u>

Year	Balance Dec. 31, 2022	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2023
				2022	2023				
Arrears \$ 2022	5,921.54 426,335.86 <u>432,257.40</u>	-	1,250.00  1,250.00	-	626.06 420,480.64 <u>421,106.70</u>	(4,546.46) 5,829.30 1,282.84	-	-	11,091.94 25.92 <u>11,117.86</u>
2023		16,413,084.48		258,252.81	15,610,100.85	8,979.69	67,582.86		468,168.27
\$	<u>432,257.40</u>	<u>16,413,084.48</u>	<u>1,250.00</u>	<u>258,252.81</u>	<u>16,031,207.55</u>	<u>10,262.53</u>	<u>67,582.86</u>	<u>-</u>	<u>479,286.13</u>
<u>Analysis of Current Year Tax Levy</u>									
Tax Yield:									
General Property Tax									
Added Taxes (54:4-63.1 et. Seq.)									
					16,413,084.48				
					<u>-</u>				
					<u><u>16,413,084.48</u></u>				
Tax Levy:									
General County Taxes									
County Library Taxes									
County Open Space Taxes									
County Health Taxes									
County Added and Omitted Taxes									
					2,701,016.40				
					191,259.75				
					30,974.68				
					125,710.29				
					12,467.76				
					<u>3,061,428.88</u>				
Total County Taxes									
Regional High School Tax									
Local School District Tax									
Local Tax for Municipal Purposes									
Add: Additional Tax Levied									
					4,498,297.23				
					<u>56,502.37</u>				
					<u><u>4,554,799.60</u></u>				
					16,413,084.48				

**CURRENT FUND  
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2022		\$	580,887.89
Increased by:			
Transfers from Taxes Receivable	67,582.86		
Interest and Costs Accrued by Sale			
October 18, 2023	<u>706.27</u>		
			<u>68,289.13</u>
			649,177.02
Decreased by:			
Collections	18,391.06		
Cancellations	<u>4,481.94</u>		
			<u>22,873.00</u>
Balance December 31, 2023		\$	<u><u>626,304.02</u></u>

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2022	Accrued in 2023	Collected by Treasurer	Balance Dec. 31, 2023
Licenses:				
Alcoholic Beverages	\$ -	4,550.00	4,550.00	-
Municipal Court	-	19,446.99	19,446.99	-
Interest and Costs on Taxes	-	89,167.80	89,167.80	-
Interest on Investments and Deposits	-	51,132.50	51,132.50	-
Trailer Pad Fees	-	50,436.43	50,436.43	-
Cell Tower Revenues		54,038.36	54,038.36	-
Energy Receipts Tax		454,899.00	454,899.00	-
Garden State Trust		51,031.00	51,031.00	-
Municipal Relief Aid		23,566.00	23,566.00	-
Uniform Construction Code - Fees & Permits		68,293.00	68,293.00	-
Interlocal Agreement - Construction Official		77,500.00	77,500.00	-
Interlocal Agreement - School Resource Officer		69,034.82	69,034.82	-
Miscellaneous Revenue Not Anticipated		91,776.90	91,776.90	-
	\$ -	1,104,872.80	1,104,872.80	-
		Reserves	23,566.00	
		Cash	1,081,306.80	
			<u>1,104,872.80</u>	

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					
Other Expenses	\$ 952.05	952.05	474.12	477.93	-
Township Committee					
Other Expenses	998.50	998.50	12.90	985.60	-
Municipal Clerk					
Other Expenses	369.84	369.84	156.24	213.60	-
Financial Administration					
Other Expenses	3,925.66	3,925.66	1,223.13	2,702.53	-
Technology Department					
Other Expenses	6,914.52	6,914.52	865.73	6,048.79	-
Tax Assessor					
Other Expenses	1,780.00	1,780.00	753.64	1,026.36	-
Legal Services and Costs					
Other Expenses	38,935.00	38,935.00	8,018.62	30,916.38	-
Engineering Services and Costs					
Other Expenses	28,883.00	28,883.00	12,916.00	15,967.00	-
LAND USE ADMINISTRATION					
Planning Board					
Other Expenses	11,274.65	11,274.65	318.75	10,955.90	-
INSURANCE					
Unemployment Insurance	803.17	803.17	308.52	494.65	-
PUBLIC SAFETY					
Police Department					
Salaries and Wages	31,487.57	31,487.57	31,487.57	-	-
Other Expenses	67,955.66	67,955.66	62,516.73	5,438.93	-
PUBLIC WORKS					
Public Works					
Other Expenses	15,170.84	15,170.84	4,308.03	10,862.81	-
Building and Grounds					
Other Expenses	4,363.92	4,363.92	1,490.86	2,873.06	-
Vehicle Maintenance	21,582.91	21,582.91	13,346.51	8,236.40	-
UTILITY EXPENSES AND BULK PURCHASES					
Electricity and Natural Gas	5,339.53	5,339.53	3,809.36	1,530.17	-
Telecommunications	2,742.94	2,742.94	30.86	2,712.08	-
Petroleum Products	25,854.66	25,854.66	6,134.40	19,720.26	-
Landfill/Solid Waste Disposal					
Other Expenses	21,782.24	21,782.24	13,344.72	8,437.52	-
Interlocal Service Agreements					
Solid Waste Collection	63,632.76	63,632.76	33,202.57	30,430.19	-
School Resource Officer	20,519.11	20,519.11	2,320.46	18,198.65	-
CAPITAL IMPROVEMENTS					
Information Technology	2,591.89	2,591.89	2,440.76	151.13	-
Other Accounts with no Change	75,107.72	75,107.72		75,107.72	-
	<u>\$ 452,968.14</u>	<u>452,968.14</u>	<u>199,480.48</u>	<u>253,487.66</u>	<u>-</u>

-

**CURRENT FUND**  
**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2022			
School Tax Payable	\$	567,228.41	
School Tax Deferred		<u>1,905,000.00</u>	
			\$ 2,472,228.41
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023			<u>5,021,358.00</u>
			7,493,586.41
Decreased by:			
Payments			<u>4,982,907.48</u>
Balance December 31, 2023			
School Tax Payable		5,678.93	
School Tax Deferred		<u>2,505,000.00</u>	
			<u>2,510,678.93</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			4,982,907.48
Tax Payable Ending			<u>5,678.93</u>
			4,988,586.41
Less: Tax Payable Beginning			<u>567,228.41</u>
Amount charged to Current Year Operations	\$		<u><u>4,421,358.00</u></u>



**CURRENT FUND**  
**SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT SCHOOL TAX**

Balance December 31, 2022			
School Tax Payable	\$	658,209.50	
School Tax Deferred		<u>1,174,691.00</u>	
			\$ 1,832,900.50
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023			<u>3,775,498.00</u>
			5,608,398.50
Decreased by:			
Payments			<u>3,720,649.50</u>
Balance December 31, 2023			
School Tax Payable		713,058.00	
School Tax Deferred		<u>1,174,691.00</u>	
			<u>1,887,749.00</u>
Current Year Liability for Regional High School District School Tax:			
Tax Paid			3,720,649.50
Tax Payable Ending			<u>713,058.00</u>
			4,433,707.50
Less: Tax Payable Beginning			<u>658,209.50</u>
Amount charged to Current Year Operations			<u>\$ 3,775,498.00</u>

**CURRENT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2022	Transferred From 2023 Revenues	Received	Adjustments	Balance Dec. 31, 2023
<b>FEDERAL GRANTS:</b>					
CDBG - Home Investment Partnership	\$ 96,950.95	14,950.00	27,125.00		84,775.95
Drive Sober or Get Pulled Over	7,000.00	7,000.00	14,000.00		-
Federal Bullet Proof Vest Partnership	3,507.80		977.60		2,530.20
DMHAS Youth Leadership Grant	3,124.38	3,124.38	3,124.38		3,124.38
ARP Firefighter Grant	18,000.00		17,565.00	435.00	-
					-
<b>Total Federal</b>	<u>128,583.13</u>	<u>25,074.38</u>	<u>62,791.98</u>	<u>435.00</u>	<u>90,430.53</u>
<b>STATE GRANTS:</b>					
Municipal Alliance Grant - 22-23	5,505.47		3,843.32	1,662.15	-
Municipal Alliance Grant - 23-24		7,137.84			7,137.84
Recycling Tonnage		5,176.92	5,176.92		-
DDEF					-
Distracted Driving					-
Body Armor		1,305.76	1,305.76		-
Click it or Ticket		7,000.00	7,000.00		-
Clean Communities		25,155.19	25,155.19		-
NJ Transportation Trust Fund					-
NJDOT 2021	164,076.00		85,041.75		79,034.25
NJDOT 2022	150,477.00		75,750.00		74,727.00
NJDOT 2023		261,640.00			261,640.00
Local Recreation Improvement Grant	90,000.00		90,000.00		-
Safe and Secure		16,604.00	16,604.00		-
Stormwater Management Grant		75,000.00	25,000.00		50,000.00
<b>Total State</b>	<u>410,058.47</u>	<u>399,019.71</u>	<u>334,876.94</u>	<u>1,662.15</u>	<u>-</u>
					<u>472,539.09</u>
\$	<u>538,641.60</u>	<u>424,094.09</u>	<u>397,668.92</u>	<u>2,097.15</u>	<u>562,969.62</u>
		Cash	396,363.16		
		Unappropriated Reserves	1,305.76		
			<u>397,668.92</u>		

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2022		2023	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2023
	Appropriated	Reserve for Encumbrances					
<b>FEDERAL GRANTS:</b>							
\$							
CDBG - Home Investment Partnership		69,825.95	14,950.00	84,775.95			-
Drive Sober or Get Pulled Over	3,640.00		7,000.00	10,640.00			-
Federal Bullet Proof Vest Partnership	3,019.05	488.80		977.60	634.26		1,895.99
Click it or Ticket			7,000.00	7,000.00			-
ARP Firefighter Grant	18,000.00			17,565.00		435.00	-
ARP Grant	472,261.77	67,342.05		66,228.22	10,600.00		462,775.60
DMHAS Youth Leadership	3,124.38		3,124.38	3,124.38			3,124.38
Total Federal	500,045.20	137,656.80	32,074.38	190,311.15	11,234.26	435.00	467,795.97
<b>STATE GRANTS:</b>							
Drunk Driving Enforcement Fund	8,219.35			701.91			7,517.44
Body Armor Grant	384.40	488.80	1,305.76	977.60	634.27		567.09
Municipal Alliance Grant							-
2022 Grant							-
State Share	5,496.49	143.96		3,978.30		1,662.15	-
2023 Grant							-
State Share			8,922.30	375.15			8,547.15
NJ Transportation Trust Fund							-
NJDOT 2021	45,687.00	118,389.00		132,398.83	3,500.00		28,177.17
NJDOT 2022	140,477.00	10,000.00			111,000.00		39,477.00
NJDOT 2023			261,640.00		12,000.00		249,640.00
Alcohol Rehabilitation Grant							-
Recreation Grant - Concession							-
Recycling Tonnage	4,121.12		5,176.92	1,016.31			8,281.73
Safe and Secure			16,604.00	16,604.00			-
Local Match			36,299.00	36,299.00			-
Distracted Driving			7,000.00	7,000.00			-
Clean Communities	22,427.83		25,155.19	1,962.70			45,620.32
Stormwater Management Grant			75,000.00		68,500.00		6,500.00
Total State	226,813.19	129,021.76	437,103.17	201,313.80	195,634.27	1,662.15	394,327.90
<b>LOCAL GRANTS:</b>							
Firefighter Grant Match	23,000.00						23,000.00
	23,000.00	-	-	-	-	-	23,000.00
Total Grants	749,858.39	266,678.56	469,177.55	391,624.95	206,868.53	2,097.15	885,123.87

**CURRENT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	Balance Dec. 31, 2022	Transferred To 2023 Appropriations	Received	Adjustments	Balance Dec. 31, 2023
<b>STATE GRANTS:</b>					
State Body Armor Grant	\$ 1,305.76	1,305.76	1,459.82		1,459.82
Total State	<u>\$ 1,305.76</u>	<u>1,305.76</u>	<u>1,459.82</u>	<u>-</u>	<u>1,459.82</u>

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2022	\$ 78.91	512,157.13
Increased by Receipts:		
Dog License Fees 2023	452.80	
Due to State of New Jersey	211.20	
Due to Current	-	53.43
Miscellaneous Trust Reserves		92,847.40
Small Cities Revolving Fund		13,830.00
	<u>664.00</u>	<u>106,730.83</u>
	742.91	618,887.96
Decreased by Disbursements		
Statutory Expenditures	264.00	
Due to State of New Jersey	211.20	
Miscellaneous Trust Reserves		140,725.19
Due to Current	<u>-</u>	<u>140,725.19</u>
	<u>475.20</u>	<u>140,725.19</u>
Balance December 31, 2023	\$ <u><u>267.71</u></u>	<u><u>478,162.77</u></u>

**TRUST FUND**  
**SCHEDULE OF CASH - COLLECTOR**

Balance December 31, 2022	\$	544,574.80
Increased by Receipts:		
Redemption of Liens	409,948.93	
Premiums on Sales	<u>33,500.00</u>	
		<u>443,448.93</u>
		988,023.73
Decreased by Disbursements		
Redemption of Liens	418,023.73	
Premiums on Sales	<u>337,200.00</u>	
		<u>755,223.73</u>
Balance December 31, 2023	\$	<u><u>232,800.00</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2022		\$	78.91
Increased by:			
Dog License Fees Collected	452.80		
Other			
	<u>                    </u>		<u>452.80</u>
			531.71
Decreased by:			
Statutory Excess	-		
Expenditures under N.J.S. 4:19-15:11	264.00		
	<u>                    </u>		<u>264.00</u>
Balance December 31, 2023		\$	<u><u>267.71</u></u>

License Fees Collected:

Year		Amount
2022	\$	756.20
2021		786.60
	\$	<u><u>1,542.80</u></u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO CURRENT FUND - DOG LICENSE FUND**

Balance December 31, 2022	\$	-
No Current Year Activity		
Balance December 31, 2023	\$	-

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY - DEPARTMENT OF HEALTH**

Balance December 31, 2022	\$	-
Increased by:		
2023 State License Fees	211.20	211.20
		211.20
Decreased by:		
Disbursements to the State		211.20
Balance December 31, 2023	\$	-



**TRUST - OTHER FUNDS**  
**SCHEDULE OF DUE TO/(FROM) CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Reserve</u>	<u>Balance Dec 31, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance Dec 31, 2023</u>
Escrow Fees	\$ (563.38)	563.38	509.95	(509.95)
	<u>\$ (563.38)</u>	<u>563.38</u>	<u>509.95</u>	<u>(509.95)</u>

**TRUST - OTHER FUNDS**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Reserve</u>	Balance Dec 31, 2022	Receipts	Disbursements	Balance Dec 31, 2023
	\$			
Accumulated Absences	37,927.09		27,914.84	10,012.25
Landfill Closure	91,191.97	925.71		92,117.68
Recycling Fees	22,626.68	219.90	86.00	22,760.58
Escrow Review Fees	144,803.35	76,628.30	98,060.22	123,371.43
Police Confiscatory Funds	20,006.60	327.54		20,334.14
MTRA Housing Rehabilitation	618,017.20	2,145.93	6,539.00	613,624.13
Trust Other	37,756.32	2,250.00	815.51	39,190.81
Tax Title Lien Redemption	8,074.80	409,948.93	418,023.73	-
Tax Title Lien Premium	536,500.00	33,500.00	337,200.00	232,800.00
Affordable Housing	28,670.58	14.36		28,684.94
Storm Recovery	10,000.00			10,000.00
Fire Safety Act Penalties	3,050.00	1,125.00	1,482.50	2,692.50
K9 Program Donations	-	6,602.23	3,872.45	2,729.78
Joint Insurance Refunds		3,534.14	1,954.67	1,579.47
	<u>\$ 1,558,624.59</u>	<u>537,222.04</u>	<u>895,948.92</u>	<u>1,199,897.71</u>

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2022		\$	234,179.48
Increased by:			
Bond Anticipation Notes	475,000.00		
	<hr/>		<hr/>
			475,000.00
			709,179.48
Decreased by:			
Improvement Authorizations	42,697.67		
	<hr/>		<hr/>
			42,697.67
Balance December 31, 2023		\$	<u><u>666,481.81</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2022	Receipts		Disbursements		Transfers		Balance Dec. 31, 2023
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 13,700.82							13,700.82
Capital Improvement Fund	172,640.60					25,000.00		147,640.60
Due from Current Fund	-						87,909.11	-
Contracts Payable								87,909.11
<u>Improvement Authorizations:</u>	-							-
06-2015 Various Capital Improvements	22,668.29			3,917.73				22,668.29
05-2017 Facilities Improvements	3,917.73							-
07-2019 Facilities Improvements	21,252.04					13,109.11		8,142.93
11-2023 Facilities Improvements			475,000.00	38,779.94		74,800.00	25,000.00	386,420.06
	\$ 234,179.48	-	475,000.00	42,697.67	-	112,909.11	112,909.11	666,481.81

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2022		\$	172,640.60
Increased by:			
Budget Appropriation			-
			172,640.60
Decreased by:			
Improvement Authorizations			
	25,000.00		25,000.00
Balance December 31, 2023		\$	147,640.60

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2022	\$ 370,000.00
Decreased by:	
Bond Payments	<u>180,000.00</u>
Balance December 31, 2023	<u><u>\$ 190,000.00</u></u>

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord #	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Raised in 2023 Budget	Debt Issued	Balance Dec. 31, 2023	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
07-2019	Various Improvements	\$ 774,000.00		100,000.00		674,000.00	674,000.00		
11-2023	Facilities Improvements		475,000.00			475,000.00	475,000.00		
		<u>\$ 774,000.00</u>	<u>475,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>1,149,000.00</u>	<u>1,149,000.00</u>	<u>-</u>	<u>-</u>
Improvement Authorizations Unfunded							394,562.99		
Less:									
Unexpended Proceeds of Bond									
Anticipation Notes Issued:									
<b>Ord. Number</b>									

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Paid or Charged	Other/ Transfers	Balance December 31, 2023	
				Balance December 31, 2022	Other Funding	Deferred Charges to Future Taxation	Unfunded			Funded	Unfunded
6-2015	Various Improvements	5/12/2015	\$ 690,000.00	\$ 22,668.29						22,668.29	
5-2017	Facilities Improvements	5/23/2017	45,000.00	3,917.73				3,917.73		-	
7-2019	Various Improvements	4/23/2019									
	Road Construction		125,000.00	8,142.93							8,142.93
	DPW Vehicles & Equipment		130,000.00	2,127.03					(2,127.03)		-
	Public Safety Vehicles & Equipment		90,000.00	10,982.08				13,109.11	2,127.03		-
11-2023	Facilities Improvements				25,000.00	475,000.00		113,579.94			386,420.06
				\$ 26,586.02	25,000.00	475,000.00	21,252.04	130,606.78	-	22,668.29	394,562.99
						Disbursements		28,126.78			
						Encumbrances		102,480.00			
								130,606.78			



**GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
General Improvement Bonds	10/26/2016	\$ 1,310,000.00	10/1/2024	190,000.00	5.00%	370,000.00		180,000.00	190,000.00
						\$ 370,000.00	-	180,000.00	190,000.00

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
Purchase of Equipment	7-2019	10/30/2019	10/24/2023	7/24/2024	4.267%	\$ 774,000.00			674,000.00
Facilities Improvements	11-2023	10/24/2023	10/24/2023	7/24/2024	4.267%	-	475,000.00	100,000.00	475,000.00
						<u>\$ 774,000.00</u>	<u>475,000.00</u>	<u>100,000.00</u>	<u>1,149,000.00</u>

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Debt Issued	Other	Balance Dec. 31, 2023
	No Current Year Activity	\$ -				-
		\$ -	-	-	-	-

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**TOWNSHIP OF MULLICA**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2023**

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## **GENERAL COMMENTS**

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or 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 after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Due to the Township having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$44,000.

The governing body of the Township of Mullica has the responsibility of determining whether the expenditures in any category will exceed \$44,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the district counsel'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 goods or services, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine if any clear-cut violations existed.

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

#### **Road Repairs**

Our examination of expenditures did not reveal any payments in excess of \$44,000 "for the performance of any work or the furnishing or hiring of any materials or supplies" 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. 40A:11-6.

### **Collection of Interest on Delinquent Taxes and Assessments**

The statute 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 6, 2023, adopted the following resolutions authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Committee of the Township of Mullica, County of Atlantic, State of New Jersey that as authorized by N.J.S.A. 54:4-67 as amended by Chapter 435 P.L., 1978, the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date that they would become delinquent is hereby fixed at eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent and eighteen percent (18%) per annum on any amount in excess of \$1,500.00, provided, however, that no interest shall be charged if payment is made within ten (10) days of the date upon which the tax or assessment becomes payable.

"IT IS FURTHER RESOLVED that nothing contained within this Resolution shall be construed to extend the time when taxes are due and payable nor the obligations to pay interest which shall commence on the due date if taxes are not paid within the ten (10) day grace period.

"BE IT RESOLVED by the Committee of the Township of Mullica, County of Atlantic, State of New Jersey that as authorized by N.J.S.A. 54:4-67 as amended by Chapter 75 P.L., 1991, the governing body of the Township of Mullica hereby establishes a penalty in the amount of six percent (6%) to be charged to a taxpayer with a delinquency in excess of Ten Thousand Dollars (\$10,000) who fails to pay that delinquency prior to the end of the calendar year.

Our examination of interest collected on delinquent taxes did not reveal any charges that were not in agreement with the above resolution.

### **Delinquent Taxes and Tax Title Liens**

The tax sale was held on October 18, 2023 and was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number</u>
2023	295
2022	308
2021	309

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

### **Verification of Delinquent Taxes and Other Charges**

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2023 and 2024 Taxes	5
Delinquent Taxes	5

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

### **Comparison of Tax Levies and Collections Currently**

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

<u>Year</u>	<u>Currently</u>		
	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2023	\$ 16,413,084	15,868,354	96.68%
2022	15,692,510	15,195,962	96.84%
2021	14,989,389	14,439,080	96.33%
2020	14,562,508	13,951,440	95.80%
2019	14,279,948	13,773,826	96.46%



**Comparative Schedule of Tax Rate Information**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	3.553	3.411	3.276	3.191	3.127
Apportionment of Tax Rate					
Municipal	0.978	0.918	0.898	0.879	0.836
County	0.663	0.613	0.574	0.560	0.554
Local & Regional School	1.912	1.880	1.804	1.752	1.737
Assessed Valuation	460,067,000	458,006,400	454,695,800	454,359,100	455,792,500

**Delinquent Taxes and Tax Title Liens**

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

<u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of Tax <u>Levy</u>
2023	\$ 626,304.00	479,286	1,105,590	6.74%
2022	580,888	432,257	1,013,145	6.46%
2021	538,912	447,868	986,780	6.58%
2020	510,388	470,769	981,157	6.74%
2019	480,375	400,250	880,625	6.17%

## **FINDINGS AND RECOMMENDATIONS**

**None**

## **STATUS OF PRIOR RECOMMENDATIONS**

**None**

## **FINDINGS**

**None**

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call.

Very truly yours,

*Ford, Scott & Associates, LLC*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Nancy Sbrolla*  
**Nancy Sbrolla**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 542**

**April 2, 2024**