

DRAFT

REPORT OF AUDIT
BOROUGH OF MILFORD
COUNTY OF HUNTERDON
DECEMBER 31, 2021

BOROUGH OF MILFORD, N.J.
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YEAR ENDED DECEMBER 31, 2021

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BOROUGH OF MILFORD

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2021



WIELKOTZ & COMPANY LLC

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Milford
Milford, New Jersey 08848

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Milford in the County of Hunterdon, as of December 31, 2021 and 2020, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues -regulatory basis and the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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 accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Milford as of December 31, 2021 and 2020, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



Honorable Mayor and
Members of the Borough Council
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As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Milford 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.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2021 and 2020, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2021 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and 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 Borough of Milford's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.



Honorable Mayor and
Members of the Borough Council
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In performing an audit in accordance with GAAS and Government Auditing Standards, 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 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 Borough'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 Borough's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Milford's 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.

The supplementary information listed in the table of contents 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



Honorable Mayor and
Members of the Borough Council
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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 supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic 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 any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2022 on our consideration of the Borough of Milford'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 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 Borough of Milford's internal control over financial reporting and compliance.

Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. 413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 3, 2022



Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Current Fund:			
Cash	A-4	1,572,755.99	1,426,958.60
Change Fund	A-5	50.00	50.00
		<u>1,572,805.99</u>	<u>1,427,008.60</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	101,063.86	95,945.93
Tax Title Liens Receivable	A-7	100,690.57	148,549.69
Interfund Receivables:			
Federal and State Grant Fund	A-10	-	24,146.58
Animal Control Trust Fund	A-10	2,148.27	1,368.36
Other Trust Fund	A-10	-	4,143.86
General Capital	A-10	102,037.66	83,345.42
Sewer Operating Fund	A-10	97,483.49	71,604.21
Water Operating Fund	A-10	67,971.02	39,192.18
		<u>471,394.87</u>	<u>468,296.23</u>
		<u>2,044,200.86</u>	<u>1,895,304.83</u>
Federal and State Grant Fund:			
Interfund Receivable - General Capital	A-17	40,000.00	40,000.00
Interfund Receivable - Current Fund	A-17	43,022.28	-
		<u>83,022.28</u>	<u>40,000.00</u>
		<u>2,127,223.14</u>	<u>1,935,304.83</u>

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

Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves			
Unencumbered	A-3;A-11	193,633.25	180,927.79
Encumbered	A-3;A-11	1,714.01	2,744.14
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-9	4,893.20	5,143.20
Interfunds Payable:			
Federal and State Grant Fund	A-10	43,022.28	-
Other Trust	A-10	39,416.86	-
Due to State of New Jersey:			
Marriage Surcharge	A-12	50.00	150.00
Tax Overpayments	A-12	9,396.64	9,396.64
Accounts Payable	A-12	25.00	413.77
Reserve for:			
Tax Appeals Pending	A-12	150,000.00	150,000.00
Prepaid Taxes	A-13	31,139.24	26,302.57
County Taxes Payable	A-14	308.96	817.83
District School Taxes Payable	A-15	181,789.22	123,067.81
Regional School Taxes Payable	A-16	153,065.70	168,836.70
		<u>808,454.36</u>	<u>667,800.45</u>
Reserve for Receivables	Contra	471,394.87	468,296.23
Fund Balance	A-1	764,351.63	759,208.15
		<u>2,044,200.86</u>	<u>1,895,304.83</u>
Federal and State Grant Fund:			
Interfund Payable - Current Fund	A-17	-	24,146.58
Appropriated Reserve for Grants	A-19	15,853.42	11,853.42
Unappropriated Reserve for Grants	A-20	67,168.86	4,000.00
		<u>83,022.28</u>	<u>40,000.00</u>
		<u>2,127,223.14</u>	<u>1,935,304.83</u>

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

Borough of Milford, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	159,500.00	159,500.00
Miscellaneous Revenue Anticipated	A-2	405,321.52	425,490.92
Receipts from Delinquent Taxes	A-2	115,392.92	75,640.23
Receipts from Current Taxes	A-2	3,999,180.80	3,999,914.65
Non-Budget Revenue	A-2	27,028.69	14,085.23
Other Credits to Income:			
Interfunds Returned	A-10	28,290.44	-
Statutory Excess - Animal Control Trust	A-10	779.40	775.60
Unexpended Balance of			
Appropriation Reserves	A-11	138,038.46	80,242.17
Various Reserves Cancelled		-	1,746.51
Total Revenues and Other Income		<u>4,873,532.23</u>	<u>4,757,395.31</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	223,178.00	216,412.00
Other Expenses	A-3	712,230.00	705,804.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within Caps	A-3	85,860.00	77,749.00
Operations - Excluded From CAPS:			
Salaries and Wages	A-3	1.00	1.00
Other Expenses	A-3	89,928.00	150,741.94
Capital Improvements - Excluded from Caps	A-3	211,000.00	186,000.00
Municipal Debt Service - Excluded from Caps	A-3	90,464.69	73,721.46
Interfund Advances	A-10	74,130.27	102,458.86
County Taxes including Added Taxes	A-14	438,939.79	443,476.81
Local District School Tax	A-15	2,025,247.00	1,988,421.00
Regional High School Tax	A-16	757,910.00	789,454.00
Total Expenditures		<u>4,708,888.75</u>	<u>4,734,240.07</u>
Statutory Excess to Fund Balance		164,643.48	23,155.24
Fund Balance, January 1,	A	<u>759,208.15</u>	<u>895,552.91</u>
		923,851.63	918,708.15
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>159,500.00</u>	<u>159,500.00</u>
Fund Balance, December 31,	A	<u><u>764,351.63</u></u>	<u><u>759,208.15</u></u>

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

Borough of Milford, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
For Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	159,500.00	159,500.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-8	5,800.00	5,802.60	2.60
Fines and Costs:				
Municipal Court	A-8	1,900.00	1,864.63	(35.37)
Interest and Costs on Taxes	A-8	20,000.00	29,836.81	9,836.81
Interest on Investments and Deposits	A-8	10,000.00	291.20	(9,708.80)
Consolidated Municipal Property Tax Relief Act	A-8	8,732.00	8,732.00	-
Energy Receipts Tax	A-8	269,582.00	269,582.00	-
Garden State Trust	A-8	7,921.00	12,198.00	4,277.00
Special Items of General Revenue Anticipated				
With Prior Written Consent of Director of Local Government Services:				
Public and Private Revenues:				
Clean Communities	A-18	4,000.00	4,000.00	-
Other Special Items:				
Reserve for Debt Service - Ord 902-19	A-10	20,000.00	20,000.00	-
Cell Tower Lease	A-8	49,000.00	53,014.28	4,014.28
Total Miscellaneous Revenues	A-1	396,935.00	405,321.52	8,386.52
Receipts from Delinquent Taxes	A-1;A-2	85,000.00	115,392.92	30,392.92
Subtotal General Revenues		641,435.00	680,214.44	38,779.44
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	897,147.00	902,564.01	5,417.01
Budget Totals		1,538,582.00	1,582,778.45	44,196.45
Non-Budget Revenue	A-1;A-2	-	27,028.69	27,028.69
		1,538,582.00	1,609,807.14	71,225.14
	A-3			

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

Borough of Milford, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
For Year Ended December 31, 2021

<u>Analysis of Realized Revenues</u>	<u>Ref.</u>	
Revenue from Collections	A-1;A-6	3,999,180.80
Allocated to School and County Taxes	A-6	<u>3,222,096.79</u>
Balance for Support of Municipal Budget Appropriations		777,084.01
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>125,480.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>902,564.01</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		
Taxes Receivable	A-6	98,553.76
TTL Receivable	A-7	<u>16,839.16</u>
		<u><u>115,392.92</u></u>
		A-2
<u>Analysis of Non-budget Revenues</u>		
Fire Inspection Fees		4,672.03
Food Licenses		1,862.50
Planning, Zoning, & Land Use		1,960.00
Cable T.V. Franchise Fee		5,704.00
Senior Citizen And Veterans Administrative Fee		165.00
Miscellaneous		<u>12,665.16</u>
	A-4	<u><u>27,028.69</u></u>
		A-2

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

Borough of Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
General Government:							
Administrative and Executive							
Salaries and Wages			82,000.00	88,526.00	83,540.01	4,985.99	-
Other Expenses			40,500.00	40,500.00	38,217.36	2,282.64	-
Financial Administration							
Salaries and Wages			7,725.00	7,725.00	7,725.00	-	-
Other Expenses			26,000.00	26,000.00	10,738.19	15,261.81	-
Assessment of Taxes							
Salaries and Wages			13,324.00	13,324.00	13,324.00	-	-
Other Expenses			3,200.00	3,200.00	2,183.42	1,016.58	-
Collection of Taxes							
Salaries and Wages			13,177.00	13,177.00	12,633.76	543.24	-
Other Expenses			2,700.00	3,172.45	3,157.45	15.00	-
Legal Services and Costs:							
Other Expenses			62,000.00	59,834.55	29,348.26	30,486.29	-
Engineering Services and Costs							
Other Expenses			3,500.00	3,500.00	960.00	2,540.00	-
Public Buildings and Grounds							
Other Expenses			30,000.00	30,000.00	21,793.36	8,206.64	-
Municipal Land Use Law (N.J.S.A. 40:55 D-1 Et Seq.)							
Planning Board							
Salaries and Wages			5,600.00	5,600.00	5,599.88	0.12	-
Other Expenses			27,500.00	27,500.00	4,416.35	23,083.65	-

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

Borough of Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Zoning Officer						
Salaries and Wages		4,944.00	4,944.00	4,944.00	-	-
Public Safety: Fire						
Other Expenses						
Fire Hydrant Service		13,860.00	13,860.00	13,860.00	-	-
Aid to Milford Volunteer Fire Company		50,000.00	50,000.00	50,000.00	-	-
Fire Prevention Bureau						
Uniform Fire Safety Inspect. (P.L. 1983, Ch. 383)						
Salaries and Wages		6,347.00	6,347.00	6,347.00	-	-
Other Expenses		500.00	500.00	-	500.00	-
Police - Crossing Guards						
Salaries and Wages		19,800.00	19,800.00	10,893.90	8,906.10	-
Other Expenses		500.00	500.00	-	500.00	-
First Aid Organization - Contribution		45,571.00	45,571.00	45,571.00	-	-
Emergency Management Services						
Salaries and Wages		1,735.00	1,735.00	1,735.00	-	-
Other Expenses		1,000.00	1,000.00	75.00	925.00	-
Streets and Roads						
Road Repair and Maintenance						
Salaries and Wages		62,000.00	62,000.00	56,365.06	5,634.94	-
Other Expenses		62,000.00	62,000.00	43,235.27	18,764.73	-
Sanitation						
Garbage and Trash Removal						
Other Expenses		109,000.00	109,000.00	67,485.89	41,514.11	-

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

Borough of Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Dog Regulations		3,567.00	3,567.00	3,567.00	-	-
Other Expenses						
Recreation and Education						
Parks and Playgrounds						
Other Expenses		2,500.00	2,500.00	1,831.03	668.97	-
Insurance						
General Liability		79,509.00	79,632.00	79,509.00	123.00	-
Workers Compensation		32,198.00	33,148.00	32,197.00	951.00	-
Employee Group Health		91,225.00	91,245.00	71,633.62	19,611.38	-
Health Benefit Waiver		6,526.00	-	-	-	-
Electricity		5,000.00	5,000.00	4,286.03	713.97	-
Street Lighting		21,000.00	21,000.00	17,150.56	3,849.44	-
Total Operations Including Contingent- Within "Caps"		936,008.00	935,408.00	744,323.40	191,084.60	-
Detail:						
Salaries and Wages	A-1	223,178.00	223,178.00	203,107.61	20,070.39	-
Other Expenses (Including Contingent)	A-1	712,830.00	712,230.00	541,215.79	171,014.21	-
Deferred Charges and Statutory Expenditures-						
Municipal - Excluded from "Caps"						
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System		63,860.00	63,860.00	63,860.00	-	-
Social Security System (O.A.S.I.)		18,000.00	18,600.00	18,305.44	294.56	-
Unemployment Compensation Insurance		3,400.00	3,400.00	2,862.10	537.90	-

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

Borough of Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	85,260.00	85,860.00	85,027.54	832.46	-
Total General Appropriations for Municipal Purposes- Within "CAPS"		1,021,268.00	1,021,268.00	829,350.94	191,917.06	-
Other Operations Excluded from "CAPS"						
Council on Affordable Housing (COAH)		10,000.00	10,000.00	10,000.00	-	-
Maintenance of Free Public Library		49,200.00	49,200.00	47,467.04	1,732.96	-
Declared State of Emergency Costs for Coronavirus Response:						
Salaries and Wages		1.00	1.00	-	1.00	-
Other Expenses		1.00	1.00	-	1.00	-
Total Other Operations - Excluded From Caps		59,202.00	59,202.00	57,467.04	1,734.96	-
Shared Service Agreements						
Municipal Court:						
Other Expenses		26,727.00	26,727.00	25,031.76	1,695.24	-
Total Shared Service Agreements		26,727.00	26,727.00	25,031.76	1,695.24	-
Public and Private Programs Offset By Revenues						
Clean Communities						
Other Expenses		4,000.00	4,000.00	4,000.00	-	-
Total Public and Private Programs Offset By Revenues		4,000.00	4,000.00	4,000.00	-	-
Total Operations - Excluded from "CAPS"		89,929.00	89,929.00	86,498.80	3,430.20	-
Detail:						
Salaries and Wages	A-1	1.00	1.00	-	1.00	-
Other Expenses	A-1	89,928.00	89,928.00	86,498.80	3,429.20	-

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

Borough of Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Capital Improvements - Excluded From "Caps"						
Capital Improvement Fund		175,000.00	175,000.00	175,000.00	-	-
Purchase of Fire Equipment		25,000.00	25,000.00	25,000.00	-	-
Purchase of Ambulance		11,000.00	11,000.00	11,000.00	-	-
Total Capital Improvements Excluded from "CAPS"	A-1	211,000.00	211,000.00	211,000.00	-	-
Municipal Debt Services						
Payment of Bond Anticipation Notes		81,000.00	81,000.00	81,000.00	-	-
Interest on Notes		9,905.00	9,905.00	9,464.69	-	440.31
Total Municipal Debt Service Excluded from "caps"	A-1	90,905.00	90,905.00	90,464.69	-	440.31
Total General Appropriations - Excluded From "Caps"		391,834.00	391,834.00	387,963.49	3,430.20	440.31
Subtotal General Appropriations		1,413,102.00	1,413,102.00	1,217,314.43	195,347.26	440.31
Reserve for Uncollected Taxes		125,480.00	125,480.00	125,480.00	-	-

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

Borough of Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Total General Appropriations		<u>1,538,582.00</u>	<u>1,538,582.00</u>	<u>1,342,794.43</u>	<u>195,347.26</u>	<u>440.31</u>
			A-2			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			125,480.00		
Cash Disbursed	A-4			1,213,314.43		
Reserve for Federal and State Grants	A-19			<u>4,000.00</u>		
				<u>1,342,794.43</u>		
<u>Analysis of Appropriation Reserve</u>						
Unencumbered	A				193,633.25	
Encumbered	A				<u>1,714.01</u>	
					<u>195,347.26</u>	

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

Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Trust Fund:			
Cash	B-1	3,734.67	3,222.56
Other Trust Funds:			
Cash	B-1	105,397.24	71,334.31
Interfund - Current Fund	B-3	39,416.86	-
		144,814.10	71,334.31
		148,548.77	74,556.87
 <u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Fund:			
Reserve for Animal Control Trust			
Fund Expenditures	B-2	1,564.00	1,831.80
Interfund - Current Fund	B-3	2,148.27	1,368.36
Due to State Department of Health	B-4	22.40	22.40
		3,734.67	3,222.56
Other Trust Fund:			
Interfund - Current Fund	B-3	-	4,143.86
Reserve for:			
Escrow Deposits	B-5	48,590.24	27,973.77
Payroll Deductions	B-5	24,644.09	22,972.36
Tax Sale Premiums	B-5	51,100.00	7,500.00
POAA	B-5	2.00	2.00
Public Defender	B-5	1,150.00	1,150.00
Outside Liens	B-5	0.02	0.02
COAH	B-5	19,327.75	7,592.30
		144,814.10	71,334.31
		148,548.77	74,556.87

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

Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash	C-2;C-3	888,064.53	746,196.16
DOT Grant Receivable	C-5	-	51,250.00
Deferred Charges to Future Taxation - Unfunded	C-6	719,350.00	800,350.00
		<u>1,607,414.53</u>	<u>1,597,796.16</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Federal and State Grant Fund	C-4	40,000.00	40,000.00
Interfund - Current Fund	C-4	102,037.66	83,345.42
Interfund - Water Capital Fund	C-4	7,249.45	7,249.45
Capital Improvement Fund	C-7	300,564.73	205,687.23
Improvement Authorizations:			
Funded	C-8	145,594.52	201,157.02
Unfunded	C-8	43,812.44	63,204.31
Reserve for:			
Fire Apparatus and Equipment	C-9	290,661.60	265,661.60
Ambulance	C-9	56,301.00	45,301.00
Debt Service	C-9	0.95	0.95
Debt Service - Green Street	C-9	118,000.00	103,500.00
Bond Anticipation Notes Payable	C-10	485,000.00	566,000.00
Fund Balance	C-1	18,192.18	16,689.18
		<u>1,607,414.53</u>	<u>1,597,796.16</u>

There were Bonds and Notes Authorized But Not Issued in the amount of \$234,350.00 and \$234,350.00 on December 31, 2021 and 2020 per Exhibit C-11.

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

Borough of Milford, N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance - January 1,	C	16,689.18	16,603.18
Increased by:			
Premium on Bond Anticipation Note	C-2	<u>1,503.00</u>	<u>86.00</u>
Balance - December 31,	C	<u><u>18,192.18</u></u>	<u><u>16,689.18</u></u>

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

Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Cash-Treasurer	D-5	190,989.38	245,970.55
Cash-Change Fund	D-7	50.00	50.00
Due from Sewer Operating	D-11	103,799.00	-
Due from Water Capital	D-11	28,216.18	28,205.21
		<u>323,054.56</u>	<u>274,225.76</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-9	26,065.81	22,302.36
Deferred Charges:			
Operating Deficit	D-10	-	631.87
		<u> </u>	<u> </u>
Total Operating Fund		<u>349,120.37</u>	<u>297,159.99</u>
Capital Fund:			
Cash	D-5;D-8	215,054.12	182,716.20
Due from General Capital Fund	D-11	7,249.45	7,249.45
Fixed Capital*	D-12	3,922,995.01	3,922,995.01
Fixed Capital Authorized and Uncompleted*	D-13	294,317.93	294,317.93
Total Capital Fund		<u>4,439,616.51</u>	<u>4,407,278.59</u>
Total Assets		<u><u>4,788,736.88</u></u>	<u><u>4,704,438.58</u></u>

* The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

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

Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

Liabilities, Reserves and Fund Balance

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Appropriation Reserve:			
Unencumbered	D-4;D-14	40,630.15	59,199.37
Encumbered	D-4;D-14	362.28	288.99
Accounts Payable	D-15	150.00	150.00
Accrued Interest on Loans and Notes	D-16	12,757.04	16,798.26
Water Overpayments	D-12	-	-
Interfund Payable:			
Current Fund	D-11	67,971.02	39,192.18
		121,870.49	115,628.80
Reserve for Receivables	Contra	26,065.81	22,302.36
Fund Balance	D-1	201,184.07	159,228.83
Total Operating Fund		349,120.37	297,159.99
Capital Fund:			
Due to Water Operating	D-11	28,216.18	28,205.21
Improvement Authorizations:			
Funded	D-17	47,166.95	47,166.95
Unfunded	D-17	62,925.75	79,429.60
Loans Payable	D-18	1,146,478.52	1,179,267.83
Reserve for Amortization	D-19	2,776,516.49	2,743,727.18
Reserve for Capital Outlay	D-20	83,319.45	35,163.65
Reserve for Deferred Amortization	D-21	74,317.93	74,317.93
Bond Anticipation Notes Payable	D-22	220,000.00	220,000.00
Fund Balance	D-2	675.24	0.24
Total Capital Fund		4,439,616.51	4,407,278.59
		4,788,736.88	4,704,438.58

Footnote: There were \$-0- Bonds and Notes Authorized But Not Issued for both the years ended
December 31, 2021 and December 31, 2020.

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

Borough of Milford, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-3	22,000.00	16,400.00
Rents	D-3	382,640.04	405,371.88
Fire Hydrant Services	D-3	360.00	13,860.00
Water Capital Fund Balance Anticipated as Item of Revenue		-	22,568.75
Miscellaneous	D-3	19,361.49	4,344.62
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	52,608.58	24,918.27
Accounts Payable Cancelled		-	1,057.59
Total Income		<u>476,970.11</u>	<u>488,521.11</u>
Expenditures:			
Operating	D-4	247,486.00	220,774.00
Capital Improvements	D-4	70,000.00	-
Debt Service	D-4	76,057.00	92,007.43
Deferred Charges and Statutory Expenditures	D-4	19,471.87	23,486.75
Total Expenditures		<u>413,014.87</u>	<u>336,268.18</u>
Excess in Revenue over Expenditures		63,955.24	152,252.93
Fund Balance - January 1,	D;D-1	<u>159,228.83</u>	<u>23,375.90</u>
		223,184.07	175,628.83
Decreased by:			
Utilized as Anticipated Revenue		<u>22,000.00</u>	<u>16,400.00</u>
Fund Balance - December 31,	D	<u><u>201,184.07</u></u>	<u><u>159,228.83</u></u>

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

Borough of Milford, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Water Utility Capital Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance - January 1,	D	0.24	22,568.99
Increased by:			
Premium on Bond Anticipation Notes	D-5	<u>675.00</u>	
Decreased by:			
Anticipated as Item of Revenue	D-11		<u>22,568.75</u>
Balance - December 31,	D	<u><u>675.24</u></u>	<u><u>0.24</u></u>

D-3

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	22,000.00	22,000.00	-
Rents	D-1;D-9	400,000.00	382,640.04	(17,359.96)
Fire Hydrant Services	D-1;D-6	13,015.00	360.00	(12,655.00)
Water Capital Fund Balance	D-1;D-11	-	-	-
Miscellaneous	D-1;D-3	-	19,361.49	19,361.49
Budget Totals		<u><u>435,015.00</u></u>	<u><u>424,361.53</u></u>	<u><u>(10,653.47)</u></u>
		D-4		

Analysis of Realized Revenues

Miscellaneous:

Interest on Deposits:

Water Operating Fund	D-5	49.52
Water Capital Fund	D-11	10.97
Miscellaneous	D-6	<u>19,301.00</u>

19,361.49

D-3

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

Borough of Millford, N.J.
Statement of Expenditures - Regulatory Basis
Water Utility Operating Fund
Year Ended December 31, 2021

	Ref.	Budget	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled
Operating:							
Salaries and Wages	D-1	124,486.00	124,486.00	114,459.05	10,026.95	-	-
Other Expenses		123,000.00	123,000.00	92,611.22	30,388.78	-	-
Total Operating		247,486.00	247,486.00	207,070.27	40,415.73		
Capital Improvements		70,000.00	70,000.00	70,000.00			
Capital Outlay	D-1	70,000.00	70,000.00	70,000.00	-	-	-
Total Capital Improvements		70,000.00	70,000.00	70,000.00			
Debt Service:							
Payment of Bond Anticipation Notes and Capital Notes		22,000.00	22,000.00	-	-	-	22,000.00
USDA-Rural Development Loan Principal		32,790.00	32,790.00	32,790.00	-	-	-
USDA-Rural Development Loan Interest		43,267.00	43,267.00	43,267.00	-	-	-
Total Debt Service	D-1	98,057.00	98,057.00	76,057.00	0.00		22,000.00
Deferred Charges and Statutory Expenditures							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System		9,000.00	9,000.00	9,000.00	-	-	-
Social Security System (O.A.S.I.)		9,000.00	9,000.00	8,487.31	512.69	-	-
Unemployment Compensation Insurance		840.00	840.00	775.99	64.01	-	-
Deficit in Operations in Prior Year		632.00	632.00	631.87	-	-	0.13
Total Deferred Charges and Statutory Expenditures	D-1	19,472.00	19,472.00	18,895.17	576.70		0.13
		435,015.00	435,015.00	372,022.44	40,992.43		22,000.13

D-3

Ref.	Analysis of Paid or Charged
D-5	Cash Disbursed
D-10	Deferred Charges
D-11	Interfund - Current Fund
D-16	Accrued Interest
	299,344.73
	631.87
	28,778.84
	43,267.00
	372,022.44
	40,630.15
	362.28
	40,992.43

Ref.	Analysis of Appropriation Reserve
D	Unencumbered
D	Encumbered
	40,630.15
	362.28
	40,992.43

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

Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash-Treasurer	E-5	1,031,853.54	944,375.20
Due from Sewer Capital Fund	E-9	33,417.66	33,350.92
		<u>1,065,271.20</u>	<u>977,726.12</u>
Receivables with Full Reserves:			
Consumers Account Receivable	E-8	63,266.60	67,539.96
		<u>63,266.60</u>	<u>67,539.96</u>
Total Operating Fund		1,128,537.80	1,045,266.08
Capital Fund:			
Cash	E-5;E-7	1,224,085.98	1,135,943.53
Fixed Capital*	E-11	3,856,356.47	3,856,356.47
Fixed Capital Authorized and Uncompleted*	E-12	4,662,500.00	4,662,500.00
Total Capital Fund		<u>9,742,942.45</u>	<u>9,654,800.00</u>
Total Assets		<u>10,871,480.25</u>	<u>10,700,066.08</u>

* The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

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

Borough of Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve:			
Unencumbered	E-4;E-13	24,360.32	10,931.98
Encumbered	E-4;E-13	1,464.73	9,862.50
Interfund Payable:			
Current Fund	E-9	97,483.49	71,604.21
Water Operating Fund	E-9	103,799.00	-
Accounts Payable	E-10	50.00	50.00
Accrued Interest on Loans and Notes	E-14	50,747.10	51,549.10
		<u>277,904.64</u>	<u>143,997.79</u>
Reserve for Receivables	Contra	63,266.60	67,539.96
Fund Balance	E-1	<u>787,366.56</u>	<u>833,728.33</u>
Total Operating Fund		1,128,537.80	1,045,266.08
Capital Fund:			
Interfund - Sewer Operating Fund	E-9	33,417.66	33,350.92
USDA Loan Payable	E-15	3,987,668.00	4,072,979.72
Improvement Authorizations:			
Funded	E-16	3,103.00	3,103.00
Unfunded	E-16	539,780.55	539,780.55
Capital Improvement Fund	E-17	48,538.75	48,538.75
Reserve for Amortization	E-18	4,503,688.47	4,418,376.75
Reserve for Deferred Reserve for Amortization	E-19	27,500.00	27,500.00
Reserve for Capital Outlay	E-20	568,623.52	480,547.81
Fund Balance	E-2	30,622.50	30,622.50
Total Capital Fund		<u>9,742,942.45</u>	<u>9,654,800.00</u>
Total Liabilities, Reserves and Fund Balances		<u>10,871,480.25</u>	<u>10,700,066.08</u>

Footnote: There were no Bonds and Notes Authorized But Not Issued for the years ended December 31, 2021 and December 31, 2020.

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

Borough of Milford, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Sewer Utility Operating Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	E-3	115,000.00	90,000.00
Sewer Service Charges	E-3	330,846.07	354,624.92
Holland Township Share of Operating	E-3	290,745.53	200,000.00
Interest on Deposits	E-3	282.70	9,374.45
Holland Township Share of Debt Service	E-3	103,441.00	103,441.00
Miscellaneous	E-3	5,000.00	84,157.66
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-13	2.93	810.41
Total Income		<u>845,318.23</u>	<u>842,408.44</u>
Expenditures:			
Operating	E-4	449,100.00	448,000.00
Capital Improvements	E-4	100,000.00	50,000.00
Debt Service	E-4	206,080.00	206,104.00
Deferred Charges and Statutory Expenditures	E-4	21,500.00	19,300.00
Total Expenditures		<u>776,680.00</u>	<u>723,404.00</u>
Excess in Revenue over Expenditures		68,638.23	119,004.44
Fund Balance - January 1,	E;E-1	833,728.33	804,723.89
		<u>902,366.56</u>	<u>923,728.33</u>
		<u>902,366.56</u>	<u>923,728.33</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>115,000.00</u>	<u>90,000.00</u>
Fund Balance - December 31,	E	<u><u>787,366.56</u></u>	<u><u>833,728.33</u></u>

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

Borough of Milford, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Sewer Utility Capital Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance - January 1,	E	<u>30,622.50</u>	<u>30,622.50</u>
Balance - December 31,	E	<u>30,622.50</u>	<u>30,622.50</u>

E-3

Statement of Revenues - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	E-1	115,000.00	115,000.00	-
Sewer Service Charges	E-1; E-8	350,000.00	330,846.07	(19,153.93)
Holland Township Share of Operating	E-1; E-6	200,000.00	290,745.53	90,745.53
Interest on Deposits	E-1; E-3	8,640.00	282.70	(8,357.30)
Holland Township Share of USDA Debt Service	E-1; E-6	103,040.00	103,441.00	401.00
Miscellaneous	E-1; E-5	-	5,000.00	5,000.00
Budget Totals		<u>776,680.00</u>	<u>845,315.30</u>	<u>68,635.30</u>
		E-4		

Analysis of Realized Revenues

Interest on Deposits:

Sewer Operating Fund

E-5 215.96

Sewer Capital Fund

E-9 66.74

E-3

282.70Analysis of Realized Revenues

Miscellaneous

Hook-up Fees

E-3; E-5

5,000.00

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

Borough of Milford, N.J.

Statement of Expenditures - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>	
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:					
Salaries and Wages		154,100.00	154,100.00	144,100.76	9,999.24
Other Expenses		295,000.00	295,000.00	279,284.52	15,715.48
Total Operating	E-1	<u>449,100.00</u>	<u>449,100.00</u>	<u>423,385.28</u>	<u>25,714.72</u>
Capital Improvements					
Capital Outlay		100,000.00	100,000.00	100,000.00	-
Total Capital Improvements	E-1	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>
Debt Service:					
USDA-RD Loan - Principal		85,325.00	85,325.00	85,325.00	-
USDA-RD Loan - Interest		120,755.00	120,755.00	120,755.00	-
Total Debt Service	E-1	<u>206,080.00</u>	<u>206,080.00</u>	<u>206,080.00</u>	<u>-</u>
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		9,000.00	9,000.00	9,000.00	-
Social Security System (O.A.S.I.)		11,400.00	11,400.00	11,312.99	87.01
Unemployment Compensation Insurance		1,100.00	1,100.00	1,076.68	23.32
Total Deferred Charges and Statutory Expenditures	E-1	<u>21,500.00</u>	<u>21,500.00</u>	<u>21,389.67</u>	<u>110.33</u>
		<u>776,680.00</u>	<u>776,680.00</u>	<u>750,854.95</u>	<u>25,825.05</u>
			E-3		
		<u>Analysis of Paid or Charged</u>	<u>Ref.</u>		
		Cash Disbursement	E-5	602,850.79	
		Interfund - Current Fund	E-9	27,249.16	
		Accrued Interest on Loans	E-14	<u>120,755.00</u>	
				<u>750,854.95</u>	
		<u>Analysis of Appropriation Reserve</u>			
		Unencumbered	E		24,360.32
		Encumbered	E		1,464.73
					<u>25,825.05</u>

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

Borough of Milford, N.J.**Comparative Balance Sheet - Regulatory Basis****Public Assistance Fund****December 31,**

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash	F-1	<u>1,512.20</u>	<u>1,512.20</u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance	F-5	<u>1,512.20</u>	<u>1,512.20</u>

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

Borough of Milford, N.J.**Comparative Statement of General Fixed Assets - Regulatory Basis****December 31,**

	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets:</u>		
Land	2,540,100.00	2,540,100.00
Buildings & Improvements	828,900.00	828,900.00
Equipment (Including Vehicles)	<u>1,966,802.23</u>	<u>1,896,123.23</u>
Total	<u><u>5,335,802.23</u></u>	<u><u>5,265,123.23</u></u>
Investment in Fixed Assets	<u><u>5,335,802.23</u></u>	<u><u>5,265,123.23</u></u>

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

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Milford have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Milford (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water utility and sewer utility and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department or volunteer first aid squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Water Capital Funds - These funds account for the operations and acquisition of capital facilities of the municipally owned water utility.

Sewer Operating and Sewer Capital Funds - These funds account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The Borough transferred administration of the general assistance program to the Hunterdon County Board of Social Services. The funds remaining in the Public Assistance Fund are used to assist certain residents who do not qualify for the General Assistance Program.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Milford. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remain in arrears on the 11th day of the 11th month of the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund, Water Operating Fund and Sewer Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

Animal Control Trust Fund	Sewer Utility Capital Fund
General Capital Fund	Trust Fund
Public Assistance Fund	Water Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the calendar year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021, the Governing Body did not add to the Current Fund budget. Additionally, several budget transfers were approved by the Governing Body.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value cost and are limited by NJSA 40A:5-15.1(a).

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Milford has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs from generally accepted accounting principles.

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.

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.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes to financial statements unduly complex and difficult to understand.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The Borough did not adopt any new pronouncements during 2021.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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 2021 statutory budget included a reserve for uncollected taxes in the amount of \$125,480.00 to balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 statutory budget was \$159,500.00.

Interdepartment budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Borough Council.

N.J.S.A. 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. There were no items of revenue and appropriation inserted into the annual budget for 2021.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 2: BUDGETARY INFORMATION, (continued)

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year.

Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2021, there were no emergency authorizations.

NOTE 3: GENERAL FIXED ASSETS

The following schedule is a summarization of changes in the general fixed assets account group for the year 2021.

	Balance <u>Dec. 31, 2020</u>	<u>Additions</u>	Balance <u>Dec. 31, 2021</u>
Land	\$2,540,100.00	\$	\$2,540,100.00
Buildings & Improvements	828,900.00		828,900.00
Machinery & Equipment	<u>1,896,123.00</u>	<u>70,679.00</u>	<u>1,966,802.00</u>
	<u>\$5,265,123.00</u>	<u>\$70,679.00</u>	<u>\$5,335,802.00</u>

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BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT

Long-term debt as of December 31, 2021 consisted of the following:

	Balance <u>Dec. 31, 2020</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due Within <u>One Year</u>
Water Capital Fund:				
U.S.D.A. Rural Development Loan Payable	\$1,179,267.83	\$32,789.31	\$1,146,478.52	\$34,219.08
Sewer Capital Fund:				
U.S.D.A. Rural Development Loan Payable	<u>4,072,979.72</u>	<u>85,311.72</u>	<u>3,987,668.00</u>	<u>87,901.18</u>
	<u>\$5,252,247.55</u>	<u>\$118,101.03</u>	<u>\$5,134,146.52</u>	<u>\$122,120.26</u>

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligations bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$485,000.00	\$566,000.00	\$427,000.00
Sewer Utility:			
Bonds, Loans and Notes	3,987,668.00	4,072,979.72	4,155,801.72
Water Utility			
Bonds, Loans and Notes	<u>1,366,478.52</u>	<u>1,399,267.83</u>	<u>1,226,747.26</u>
Total Issued	<u>5,839,146.52</u>	<u>6,038,247.55</u>	<u>5,809,548.98</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	234,350.00	234,350.00	434,350.00
Water Utility:			
Bonds, Loans and Notes			<u>220,000.00</u>
Total Authorized but not Issued	<u>234,350.00</u>	<u>234,350.00</u>	<u>654,350.00</u>
Net Bonds, Loans and Notes Issued but not Issued	6,073,496.52	6,272,597.55	6,463,898.98
Less: Application Deductions	<u>5,472,147.47</u>	<u>5,575,748.50</u>	<u>5,641,527.93</u>
Net Debt	<u>\$601,349.05</u>	<u>\$696,849.05</u>	<u>\$822,371.05</u>

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statement net debt of 0.484%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$120,000.00	\$120,000.00	\$0.00
Water Utility Debt	1,366,478.52	1,366,478.52	0.00
Sewer Utility Debt	3,987,668.00	3,987,668.00	0.00
General Debt	<u>719,350.00</u>	<u>118,000.95</u>	<u>601,349.05</u>
	<u>\$6,193,496.52</u>	<u>\$5,592,147.47</u>	<u>\$601,349.05</u>

Net Debt \$601,349.05 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended \$124,267,957.67 = 0.484%.

SUMMARY OF AVERAGE OF EQUALIZED VALUATION

2021	\$124,267,857.67	
2020	\$122,176,437.00	
2019		\$121,257,787.33

BORROWING POWER UNDER N.J.S. 40A:20-6 AS AMENDED

3 ½% of Equalized Valuation Basis (Municipal)	\$4,349,375.02
Net Debt	<u>601,349.05</u>
Remaining Borrowing Power	<u>\$3,748,025.97</u>

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

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

Cash receipts from fees, rents or other charges for year		\$424,361.53
Deductions:		
Operating and Maintenance Cost	\$266,957.87	
Debt Service per Water Account	<u>76,057.00</u>	
Total Deductions		<u>343,014.87</u>
Excess in Revenue - Self-Liquidating		<u>\$81,346.66</u>

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

Cash receipts from fees, rents or other charges for year		\$845,315.30
Deductions:		
Operating and Maintenance Cost	\$470,600.00	
Debt Service per Sewer Account	<u>206,080.00</u>	
Total Deductions		<u>676,680.00</u>
Excess in Revenue - Self-Liquidating		<u>\$168,635.30</u>

FOOTNOTE: If there is an "excess in revenue", all such utility debt is deductible.

The forgoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

Analysis of Long-term debt, as of December 31, 2021, consisted of the following:

Paid by Water Utility Fund

\$1,027,000 Water Utility Loan dated 11/15/99 with the United States Department of Agriculture, Rural Development. This loan is payable in semiannual installments of \$27,308.00 through 11/15/2039. Interest is calculated at 4.375% and included in the semiannual installment. This method of calculating interest is not in conformance with New Jersey Statutes. The Borough has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2021 was \$674,761.36.

\$523,000.00 Water Utility Loan dated 9/16/15 with the United States Department of Agriculture, Rural Development. This loan is payable in semiannual installments of \$10,821.00 through 3/16/2055. Interest is calculated at 3.625% and included in the semiannual installment. This method of calculating interest is not in conformance with New Jersey Statutes. The Borough has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2021 was \$471,717.16.

Paid by Sewer Utility Fund

\$4,800,000 Sewer Utility Loan dated 9/20/2010 with the United States Department of Agriculture. This loan is payable in semiannual installments of \$114,144.00 through 9/20/2050. Interest is calculated at 3.00% and included in the semiannual installment. This method of calculating interest is not in conformance with New Jersey Statutes. The Borough has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2021 was \$3,987,668.00.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED
DEBT ISSUED AND OUTSTANDING**

Calendar Year	<u>Total</u>		<u>Water Utility</u>		<u>Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$122,003.04	\$161,134.63	\$34,099.04	\$42,158.96	\$87,904.00	\$118,975.67
2023	126,024.82	157,113.94	35,462.82	40,795.18	90,562.00	116,318.76
2024	130,181.91	152,956.62	36,882.91	39,375.09	93,299.00	113,581.53
2025	134,479.70	148,657.88	38,361.70	37,896.30	96,118.00	110,761.58
2026	138,924.68	144,212.73	39,901.68	36,356.32	99,023.00	107,856.41
202-2031	766,800.00	648,889.53	224,937.00	156,353.00	541,863.00	492,536.53
2032-2036	903,096.60	512,593.80	274,241.60	107,048.40	628,855.00	405,545.40
2037-2041	949,810.74	354,948.40	219,999.74	50,359.79	729,811.00	304,588.61
2042-2046	926,636.14	215,974.80	79,659.14	28,550.86	846,977.00	187,423.94
2047-2052	864,571.44	69,932.87	91,315.44	16,894.56	773,256.00	53,038.31
2053-2055	<u>71,617.45</u>	<u>3,986.60</u>	<u>71,617.45</u>	<u>3,986.60</u>		
Total	<u>\$5,134,146.52</u>	<u>\$2,570,401.80</u>	<u>\$1,146,478.52</u>	<u>\$559,775.06</u>	<u>\$3,987,668.00</u>	<u>\$2,010,626.74</u>

NOTE 5: BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued to be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance. A legal installment is not required after the fifth anniversary date.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 5: BOND ANTICIPATION NOTES (CONTINUED)

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2021.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Fund:				
Roosevelt & Cross	\$0.00	\$485,000.00	\$	\$485,000.00
Oppenheimer & Co.	566,000.00		566,000.00	0.00
Water Capital Fund:				
Roosevelt & Cross		220,000.00		220,000.00
Oppenheimer & Co.	<u>220,000.00</u>		<u>220,000.00</u>	<u>0.00</u>
	<u>\$786,000.00</u>	<u>\$705,000.00</u>	<u>\$786,000.00</u>	<u>\$705,000.00</u>

The Borough General Capital Fund has outstanding at December 31, 2021, a bond anticipation note in the amount of \$485,000.00, at an interest rate of 1.00%, payable to Roosevelt & Cross. This note matured on February 25, 2022 and it is the intent of the Borough council to renew this note for another one year period. The Borough renewed this note on February 25, 2022, totaling \$404,000.00, payable to Wells Fargo Trust with an interest rate of 1.28%. \$81,000.00 of principal was paid down from the 2022 Current Fund budget.

The Borough Water Capital Fund has outstanding at December 31, 2021, a bond anticipation note in the amount of \$220,000.00, at an interest rate of 1.00%, payable to Roosevelt Cross. This note matured on February 25, 2022 and it is the intent of the Borough council to renew this note for another one year period. The Borough renewed this note on February 25, 2022, totaling \$198,000.00, payable to Wells Fargo Trust with an interest rate of 1.28%. \$22,000.00 of principal was paid down from the 2022 Water Operating Budget.

NOTE 6: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	<u>\$163,754.00</u>	<u>\$159,500.00</u>
Water Utility Fund	<u>\$64,770.00</u>	<u>\$22,000.00</u>
Sewer Utility Fund	<u>\$151,052.00</u>	<u>\$115,000.00</u>

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 7: LOCAL AND REGIONAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District. The Borough of Milford has elected to defer school taxes in accordance with these regulations.

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	Balance <u>12/31/21</u>	Balance <u>12/31/20</u>	Balance <u>12/31/21</u>	Balance <u>12/31/20</u>
Balance of Tax	\$873,126.97	\$814,405.56	\$508,175.00	\$523,946.70
Deferred	<u>691,337.75</u>	<u>691,337.75</u>	<u>355,110.00</u>	<u>355,110.00</u>
Tax Payable	<u>\$181,789.22</u>	<u>\$123,067.81</u>	<u>\$153,065.00</u>	<u>\$168,836.70</u>

NOTE 8: PENSION PLAN

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 8: PENSION PLAN (CONTINUED)

Public Employees' Retirement System (PERS) (continued)

Benefits Provided (continued)

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

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

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 8: PENSION PLAN (CONTINUED)

Defined Contribution Retirement Program (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$63,860.00	-0-
2020	70,331.00	-0-
2019	63,219.00	-0-

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 8: PENSION PLAN (CONTINUED)

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

Public Employees Retirement System (PERS)

At December 31, 2021, the Borough had a liability of \$668,608.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was 0.0056439317 percent, which was an increase/(decrease) of 0.0005669579 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$63,860.00. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$10,545.00	\$4,786.00
Changes of assumptions	3,482.00	238,029.00
Net difference between projected and actual earnings on pension plan investments	-0-	176,129.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>139,402.00</u>	<u>99,548.00</u>
Total	<u>\$153,429.00</u>	<u>\$518,492.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 8: PENSION PLAN (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Year ended June 30:	
2022	(\$157,762.00)
2023	(112,642.00)
2024	(76,803.00)
2025	(57,733.00)
2026	22.00

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts respectively.

Additional Information

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,307,384,832
Borough's Proportion	0.0056439317%	0.0062108896%

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 8: PENSION PLAN (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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 with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 8: PENSION PLAN (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective 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:

	<u>June 30, 2021</u>		
	<u>1%</u> <u>Decrease</u> <u>6.00%</u>	<u>At Current</u> <u>Discount Rate</u> <u>7.00%</u>	<u>1%</u> <u>Increase</u> <u>8.00%</u>
Borough's proportionate share of the pension liability	\$920,215.00	\$668,608.00	\$468,260.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: ACCRUED SICK AND VACATION BENEFITS

The Borough of Milford has adopted a policy that all paid vacation must be taken by December 31 of any year and will receive payment for sick time accrued for current year.

NOTE 10: CASH, CASH EQUIVALENTS AND INVESTMENTS

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 Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in 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. As of December 31, 2021, \$-0- of the Borough's bank balance of \$5,268,709.31 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough 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 allowance investments are Bonds of the United States of America, bonds or other obligations of the Boroughs or bonds or other obligations of the local unit or units within which the Borough is located; 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.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2021 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

NOTE 12: PUBLIC ASSISTANCE

The Borough of Milford has elected to have the County of Hunterdon process all public assistance granted to the residents. Therefore, the Borough of Milford no longer has a public assistance director.

NOTE 13: HEALTH INSPECTIONS

The Borough of Milford has elected to have the County of Hunterdon, Department of Health, do all the health inspections. Therefore, the Borough does not have a health inspector.

NOTE 14: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2021 consist of the following:

- \$102,037.66 Due to Current Fund from General Capital Fund for receipts and disbursements.
- 39,416.86 Due to Current Fund from Other Trust Fund for premiums received in Current Fund and interest earned in Other Trust Fund.
- 2,148.27 Due to Current Fund from Animal Control Trust Fund for interest earned and statutory excess.
- 43,022.28 Due to Federal and State Grant Fund from Current Fund for receipts and disbursements in the Federal and State Grant Fund.
- 40,000.00 Due to Federal and State Grant Fund from General Capital Fund for prior year balance not returned.
- 67,971.02 Due to Current Fund from Water Operating Fund for receipts in the Current Fund.
- 103,799.00 Due to Water Operating Fund from Sewer Operating Fund for disbursements from Water Operating Fund.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 14: DUE TO/FROM OTHER FUNDS (CONTINUED)

\$97,483.49 Due to Current Fund from Sewer Operating Fund for disbursements in Current Fund.

7,249.45 Due to Water Capital Fund from the General Capital Fund for prior year balance not returned.

28,216.18 Due to Water Operating Fund from Water Capital Fund for cash receipts in the Water Capital Fund.

33,417.66 Due to Sewer Operating Fund from Sewer Capital Fund for receipts in Sewer Capital Fund.

\$564,761.87

It is anticipated that all interfunds will be liquidated during the calendar year.

NOTE 15: OPERATING LEASES

The Borough has a commitment to lease a copier under a 48 month operating lease that expires in 2025. Lease payments of \$883.20 were made during the year. Future operating lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$1,766.40
2023	1,766.40
2024	1,766.40
2025	<u>883.20</u>
	<u>\$6,182.40</u>

NOTE 16: 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:

	<u>Balance Dec 31, 2021</u>	<u>Balance Dec 31, 2020</u>
Prepaid Taxes	<u>\$31,139.24</u>	<u>\$26,302.57</u>
Cash Liability for Taxes Collected in Advance	<u>\$31,139.24</u>	<u>\$26,302.57</u>

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 17: OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 8, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits other than Pensions* (GASB Statement No. 75); therefore assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 17: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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.

Total OPEB Liability

The following Other Post Employment Benefit information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current Other Post Employment Benefit information is available.

At December 31, 2020, the Borough had a liability of \$1,722,336.00 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2020 the Borough's proportion was 0.009597 percent.

For the year ended December 31, 2021, the Borough recognized OPEB expense of \$35,005.44. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$45,365.00	\$320,731.00
Changes of assumptions	257,607.00	383,021.00
Net difference between projected and actual earnings on OPEB plan investments	1,094.00	-
Changes in proportion	<u>30,862.00</u>	<u>285,382.00</u>
Total	<u>\$334,928.00</u>	<u>\$989,134.00</u>

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 17: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	(\$92,584.00)
2022	(92,668.00)
2023	(92,804.00)
2024	(92,928.00)
2025	(63,365.00)
Thereafter	34,663.00

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.87, 8.05, 8.14 and 8.04 years for 2020, 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 17: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actual Assumptions and Other Inputs (continued)

Mortality:

PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2020 and 2019 was 2.21% and 3.50%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 17: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 2020 as well as what the Borough's proportionate share of the net OPEB 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:

	<u>June 30, 2020</u>		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Borough's proportionate share of Net OPEB liability	\$2,036,166.00	\$1,722,336.00	\$1,473,912.00

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

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 2020 as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1- percentage point lower or 1 percentage point higher than the current rate:

	<u>June 30, 2020</u>		
	1% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1% <u>Increase</u>
Borough's proportionate share of Net OPEB liability	\$1,425,235.00	\$1,722,336.00	\$2,111,395.00

NOTE 18: CONTINGENT LIABILITIES

We are advised by the Borough's Counsel that there are no pending or threatened litigation, claims and assessments that they believe, at this time, are material.

BOROUGH OF MILFORD, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 19: OTHER MATTERS

On March 9, 2020 Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Milford. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collections and increased health emergency costs. During 2021, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The estimated amount of federal aid available to the Borough of Milford is \$123,613.56 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment of \$61,806.78 was received in July 2021 and the second installment one year after the receipt of the first installment.

In addition, during 2020 and 2021 revenues of the Borough were not materially affected.

NOTE 20: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through August 3, 2022, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF MILFORD, N.J.

OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2021

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

Corporate

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Surety Code</u>
Henry Schepens	Mayor		
Robert T. Castagna	Councilperson		
Russell Heller	Councilperson		
Noralie LaFevre	Councilperson		
Janice Armstrong	Councilperson		
Robert White	Councilperson		
Elisa Yager	Councilperson		
Karen Dysart	Clerk; Assessment Search Officer; Reg. of Vital Statistics; Board of Health Secretary; Water and Sewer Collector; Dog Licensing Officer	1,000,000.00	A
Dawn Merante	Treasurer, CFO	1,000,000.00	A
Eloise Hageman	Tax Collector; Tax Search Officer	1,000,000.00	A
Lorriane Laughton	Deputy Clerk, Deputy Tax Collector; Deputy Water and Sewer Collector to 12/17/21	1,000,000.00	A
Todd Bolig	Attorney		
David M. Gill	Assessor		
Lorriane Laughton	Bd. of Adj./Planning Bd. Secretary		
Robert O'Brien	Engineer		
Michael Giannone	Fire Official		
Steven D. Wielkocz, C.P.A., R.M.A.	Auditor		

Code A - Municipal Excess Liability Joint Insurance Fund, \$1,000,000 per occurrence.

All the Bonds were examined and were properly executed.

Borough of Milford

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

MEMO	Federal C.F.D.A. Number	State Account Number	Program or Award Amount	Grant Period From/To	12/31/2020		12/31/2021		MEMO Cumulative Total Expenditures
					(Receivable)	Reserve Balance	Reserve Balance	Receipts	
U.S. Department of Treasury Pass Through New Jersey Department of Community Affairs - Division of Local Government Services Coronavirus Relief Fund (CRF)	21.019 21.027	20-100-022-8030-686	2,671.59 61,806.78	3/1/20-12/31/20 3/3/21-12/31/26	(2,671.59) (2,671.59)	- -	2,671.59 61,806.78	61,806.78 61,806.78	2,671.59 2,671.59
American Rescue Plan Act Total U.S. Department of Treasury							64,478.37	64,478.37	2,671.59
U.S. Department of Agriculture Farmer's Home Administration Loan Payable	10.760	N/A	5,800,000.00	N/A	-	516,057.03	-	516,057.03	5,283,942.97
TOTAL FEDERAL AID					(2,671.59)	516,057.03	64,478.37	577,863.81	5,286,614.56

Note: This Schedule was not subject to an audit in accordance with the Uniform Guidance.

Borough of Millford

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2020		12/31/2021		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	Receipts	Reserve Balance	
FEDERAL AND STATE GRANT FUND								
NJ Department of Environmental Protection:								
Clean Communities	4900-765-042-4900-004	4,000.00	1/1/17-12/31/17	-	214.00	-	214.00	3,786.00
Clean Communities	4900-765-042-4900-004	4,000.00	1/1/18-12/31/18	-	4,000.00	-	4,000.00	-
Clean Communities	4900-765-042-4900-004	4,000.00	1/1/19-12/31/19	-	4,000.00	-	4,000.00	-
Clean Communities	4900-765-042-4900-004	4,000.00	1/1/20-12/31/20	-	4,000.00	-	4,000.00	-
Clean Communities	4900-765-042-4900-004	4,000.00	1/1/21-12/31/21	-	-	4,000.00	4,000.00	-
				-	12,214.00	4,000.00	16,214.00	3,786.00
Recycling Tonnage	4910-100-042-4910-224	7,013.94	1/1/18-12/31/18	-	2,389.42	-	2,389.42	4,624.52
Recycling Tonnage	4910-100-042-4910-224	1,362.80	1/1/21-12/31/21	-	-	1,362.08	1,362.08	-
				-	2,389.42	1,362.08	3,751.50	4,624.52
Stormwater Management	N/A	1,250.00	1/1/07-12/31/07	-	1,250.00	-	1,250.00	-
Total NJ Department of Environmental Protection				-	15,853.42	5,362.08	21,215.50	8,410.52
GENERAL CAPITAL FUND								
NJ Department of Transportation:								
Municipal Aid - Mt. Nebo Road Section 2	078-6320-480-ALL	150,000.00	1/1/2013-12/31/13	-	32,511.19	-	32,511.19	117,488.81
Municipal Aid - Railroad Avenue		205,000.00	01/1/18-12/31/18	(51,250.00)	-	51,250.00	-	205,000.00
Total NJ Department of Transportation:				(51,250.00)	32,511.19	51,250.00	32,511.19	322,488.81
TOTAL GENERAL CAPITAL				(51,250.00)	32,511.19	51,250.00	32,511.19	322,488.81
TOTAL STATE AID				(51,250.00)	48,364.61	56,612.08	53,726.69	330,899.33

Note: This schedule was not subject to an audit in accordance with N.J. OMB Circular 15-08.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

CURRENT FUND

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	159,500.00	3.27%	159,500.00	3.35%
Miscellaneous - From Other Than				
Local Property Tax Levies	405,421.52	8.32%	425,490.92	8.94%
Collection of Delinquent Taxes				
and Tax Title Liens	115,392.92	2.37%	75,640.23	1.59%
Collection of Current				
Tax Levy	3,999,180.80	82.06%	3,999,914.65	84.08%
Other Credits to Income	194,036.99	3.98%	96,849.51	2.04%
<u>Total Revenue and Other Income Realized</u>	<u>4,873,532.23</u>	<u>100.00%</u>	<u>4,757,395.31</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	1,412,661.69	30.00%	1,410,429.40	29.79%
County Taxes	438,939.79	9.32%	443,476.81	9.37%
Local and Regional School Taxes	2,783,157.00	59.10%	2,777,875.00	58.68%
Other Expenditures	74,130.27	1.57%	102,458.86	2.16%
<u>Total Expenditures</u>	<u>4,708,888.75</u>	<u>100.00%</u>	<u>4,734,240.07</u>	<u>100.00%</u>
 Statutory Excess to Fund Balance	 164,643.48		 23,155.24	
 Fund Balance, January 1,	 <u>759,208.15</u>		 <u>895,552.91</u>	
	923,851.63		918,708.15	
Less:				
Utilized as Anticipated Revenue	<u>159,500.00</u>		<u>159,500.00</u>	
 Fund Balance, December 31,	 <u><u>764,351.63</u></u>		 <u><u>759,208.15</u></u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

WATER UTILITY OPERATING FUND

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	22,000.00	4.61%	16,400.00	3.36%
Collection of Water Rents	382,640.04	80.22%	405,371.88	82.98%
Miscellaneous - From Other Than Water Rents	19,721.49	4.13%	40,773.37	8.35%
Other Credits to Income	52,608.58	11.03%	25,975.86	5.32%
<u>Total Revenue and Other Income Realized</u>	<u>476,970.11</u>	<u>100.00%</u>	<u>488,521.11</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	247,486.00	59.92%	220,774.00	65.65%
Capital Improvements	70,000.00	16.95%		0.00%
Debt Service	76,057.00	18.42%	92,007.43	27.36%
Deferred Charges and Statutory Expenditures	19,471.87	4.71%	23,486.75	6.98%
<u>Total Expenditures</u>	<u>413,014.87</u>	<u>100.00%</u>	<u>336,268.18</u>	<u>100.00%</u>
 Excess (Deficit) in Revenue	 63,955.24		 152,252.93	
 Fund Balance, January 1,	 <u>159,228.83</u>		 <u>23,375.90</u>	
	223,184.07		175,628.83	
 Less:				
Utilized as Anticipated Revenue	<u>22,000.00</u>		<u>16,400.00</u>	
 Fund Balance, December 31,	 <u>201,184.07</u>		 <u>159,228.83</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

SEWER UTILITY OPERATING FUND

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	115,000.00	13.60%	90,000.00	10.68%
Collection of Sewer Rents	330,846.07	39.14%	354,624.92	42.10%
Miscellaneous - From Other				
Than Sewer Rents	399,469.23	47.26%	396,973.11	47.12%
Other Credits to Income	2.93	0.00%	810.41	0.10%
<u>Total Revenue and Other Income Realized</u>	<u>845,318.23</u>	<u>100.00%</u>	<u>842,408.44</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	449,100.00	57.82%	448,000.00	61.93%
Capital Improvements	100,000.00	12.88%	50,000.00	6.91%
Debt Service	206,080.00	26.53%	206,104.00	28.49%
Deferred Charges and Statutory Expenditures	21,500.00	2.77%	19,300.00	2.67%
<u>Total Expenditures</u>	<u>776,680.00</u>	<u>100.00%</u>	<u>723,404.00</u>	<u>100.00%</u>
 Excess (Deficit) in Revenue	 68,638.23		 119,004.44	
 Fund Balance, January 1,	 <u>833,728.33</u>		 <u>804,723.89</u>	
	902,366.56		923,728.33	
 Less:				
Utilized as Anticipated Revenue	<u>115,000.00</u>		<u>90,000.00</u>	
 Fund Balance, December 31,	 <u>787,366.56</u>		 <u>833,728.33</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

<u>Tax Rate:</u>	<u>2021</u> <u>3.539</u>	<u>2020</u> <u>3.524</u>	<u>2019</u> <u>3.692</u>
<u>Apportionment of Tax Rate:</u>			
Municipal (Including Library)	.770	.760	.750
County	.377	.380	.381
Local School	1.740	1.706	1.684
Regional High School	.652	.678	.877
<u>Assessed Valuation:</u>			
2021	\$116,412,696		
2020		\$116,571,515.00	
2019			\$115,962,133.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collection</u>
2021	\$4,122,745.89	\$3,999,180.80	97.00%
2020	4,115,564.65	3,999,914.65	97.19%
2019	4,298,274.13	4,206,861.83	97.87%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2021	\$101,063.86	\$100,690.57	\$201,754.43	4.89%
2020	95,945.93	148,549.69	244,495.62	5.94%
2019	75,640.23	137,776.83	213,417.06	4.96%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2021 by foreclosure or deed as a result of liquidation of tax title liens.

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2021	\$386,403.49	\$382,640.04
2020	344,425.84	405,371.88
2019	359,192.51	307,895.28

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2021	\$326,572.71	\$330,846.07
2020	339,257.82	354,624.92
2019	331,730.28	328,165.82

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund:	2021	\$764,351.63	\$163,754.00
	2020	759,208.15	159,500.00
	2019	895,552.91	159,500.00
	2018	909,524.70	158,000.00
	2017	897,521.06	158,000.00
Water Utility Operating Fund:	2021	\$201,184.07	\$64,770.00
	2020	159,228.83	22,000.00
	2019	23,375.90	16,400.00
	2018	58,375.90	35,000.00
	2017	57,321.97	35,000.00
Sewer Utility Operating Fund:	2021	\$787,366.56	\$151,052.00
	2020	833,728.33	115,000.00
	2019	804,723.89	90,000.00
	2018	795,071.83	90,732.00
	2017	749,728.49	75,000.00

Borough of Milford, N.J.

Schedule of Cash

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		<u>Total</u>
Balance - December 31, 2020	A		1,426,958.60
Increased by Receipts:			
Miscellaneous Revenue Not			
Anticipated	A-2	26,928.69	
Taxes Receivable	A-6	4,063,181.99	
Tax Title Liens Receivable	A-7	16,839.16	
Revenue Accounts Receivable	A-8	381,346.49	
Due From State - Senior Citizen and Veteran Deductions	A-9	8,000.00	
Interfunds	A-10	113,481.74	
Various Cash Liabilities and Reserves	A-12	50.00	
Prepaid Taxes	A-13	31,139.24	
		<u>4,640,967.31</u>	<u>6,067,925.91</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	1,213,314.43	
Interfunds	A-10	56,028.00	
Appropriation Reserves	A-11	45,608.47	
Various Cash Liabilities and Reserves	A-12	563.77	
County Taxes Payable	A-14	439,448.66	
District School Taxes Payable	A-15	1,966,525.59	
High School Taxes Payable	A-16	773,681.00	
		<u>4,495,169.92</u>	<u>1,572,755.99</u>
Balance - December 31, 2021	A		<u><u>1,572,755.99</u></u>

Borough of Milford, N.J.

Schedule of Cash - Tax Collector - Change Fund

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	<u>50.00</u>
Balance - December 31, 2021	A	<u>50.00</u>

Borough of Milford, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2021

Year	Balance, Dec. 31, 2020	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2021
				2020	2021				
2020	95,945.93	-	2,607.83	-	98,553.76	-	-	-	-
2021	-	4,119,845.68	2,900.21	26,302.57	3,964,628.23	8,250.00	7,470.83	15,030.40	101,063.86
	<u>95,945.93</u>	<u>4,119,845.68</u>	<u>5,508.04</u>	<u>26,302.57</u>	<u>4,063,181.99</u>	<u>8,250.00</u>	<u>7,470.83</u>	<u>15,030.40</u>	<u>101,063.86</u>
	A			A-2;A-13	A-2;A-4	A-2;A-9	A-7		A

Analysis of Tax Levy

	Ref.
Tax yield:	
General Purpose Tax	4,119,845.68
Added Tax (R.S. 54:4-63.1 et seq.)	<u>2,900.21</u>
	<u>4,122,745.89</u>
Tax Levy:	
County Tax	A-14
Added County Taxes	<u>308.96</u>
Local District School Tax	438,939.79
Regional School Tax	<u>2,025,247.00</u>
	<u>757,910.00</u>
	<u>3,222,096.79</u>
Local Tax for Municipal Purposes	897,147.00
Additional Taxes	<u>3,502.10</u>
	<u>900,649.10</u>
	<u>4,122,745.89</u>

Borough of Milford, N.J.
Schedule of Tax Title Liens Receivable
Current Fund
Year Ended December 31, 2021

Balance - December 31, 2020	<u>Ref.</u> A		148,549.69
Increased by:			
Transferred from 2021 Taxes Receivable	A-6		<u>7,470.83</u>
			156,020.52
Decreased by:			
Adjustment		38,490.79	
Collections	A-2; A-4	<u>16,839.16</u>	
			<u>55,329.95</u>
Balance - December 31, 2021	A		<u><u>100,690.57</u></u>

Borough of Milford, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	5,802.60	5,802.60
Municipal Court :			
Fines and Costs	A-2	1,864.63	1,864.63
Interest and Costs on Taxes	A-2	29,836.81	29,836.81
Interest on Investments and Deposits	A-2	291.20	291.20
Energy Receipts Tax	A-2	269,582.00	269,582.00
Consolidated Municipal Property Tax	A-2	8,732.00	8,732.00
Garden State Trust	A-2	12,198.00	12,198.00
Cell Tower Lease	A-2	53,014.28	53,014.28
		<u>381,321.52</u>	<u>381,321.52</u>
<u>Analysis of Collected</u>			
Cash Receipts	A-4		381,246.49
Interfund	A-10		75.03
			<u>381,321.52</u>

Borough of Milford, N.J.

Schedule of Amount Due To State of New Jersey

for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	5,143.20
Increased by:		
State Share of Senior Citizens and Deductions Received in Cash		
Veteran Deductions Received in Cash	A-4	<u>8,000.00</u>
		13,143.20
Decreased by:		
Senior Citizens' Deductions Per Tax Billing		
Veterans' Deductions Per Tax Billing		8,500.00
Less:		
Seniors and Veterans Disallowed		<u>250.00</u>
	A-6	<u>8,250.00</u>
Balance - December 31, 2021	A	<u><u>4,893.20</u></u>

Borough of Milford, N.J.

Schedule of Interfunds Receivables/(Payables)

Current Fund

Year Ended December 31, 2021

Fund	Ref.	Due From/(To) Balance			Due From/(To) Balance Dec. 31, 2021
		Dec. 31, 2020	Increased	Decreased	
Federal and State Grants	A	24,146.58	-	67,168.86	(43,022.28)
Animal Control Trust	A	1,368.36	779.91	-	2,148.27
General Capital Fund	A	83,345.42	20,035.24	1,343.00	102,037.66
Other Trust	A	4,143.86	39.28	43,600.00	(39,416.86)
Sewer Operating Fund	A	71,604.21	27,249.16	1,369.88	97,483.49
Water Operating Fund	A	39,192.18	28,778.84	-	67,971.02
		<u>223,800.61</u>	<u>76,882.43</u>	<u>113,481.74</u>	<u>187,201.30</u>
<u>Analysis</u>					
Due From Current Fund		-			(82,439.14)
Due To Current Fund	A-1	<u>223,800.61</u>			<u>269,640.44</u>
		<u>223,800.61</u>			<u>187,201.30</u>
Statutory Excess - Animal Control	A-1		779.40	-	
Anticipated as Item of Revenue	A-2		20,000.00	-	
Received	A-4		-	113,481.74	
Disbursed	A-4		56,028.00	-	
Interest on Investments	A-8		75.03	-	
			<u>76,882.43</u>	<u>113,481.74</u>	

Borough of Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	2,775.62	2,775.62	1,459.68	1,315.94
Financial Administration	5,368.00	5,368.00	-	5,368.00
Planning Board	0.14	0.14	-	0.14
Zoning Officer	400.00	400.00	-	400.00
Police - Crossing Guards	7,827.30	7,827.30	990.60	6,836.70
Road Repair and Maintenance	10,242.07	10,242.07	2,133.72	8,108.35
Total Salaries and Wages Within "CAPS"	<u>26,613.13</u>	<u>26,613.13</u>	<u>4,584.00</u>	<u>22,029.13</u>
Other Expenses Within "CAPS":				
Administrative and Executive	9,039.55	9,039.55	2,135.48	6,904.07
Financial Administration	9,948.80	9,948.80	7,614.40	2,334.40
Assessment of Taxes	83.75	83.75	-	83.75
Collection of Taxes	176.00	176.00	-	176.00
Legal Services and Costs	22,676.84	22,248.84	2,553.00	19,695.84
Engineering Services and Costs	1,777.25	1,777.25	-	1,777.25
Public Buildings and Grounds	11,714.06	11,714.06	8,823.46	2,890.60
Planning Board	10,705.93	10,705.93	3,112.38	7,593.55
Uniform Fire Safety Inspect.	500.00	500.00	-	500.00
Police - Crossing Guards	500.00	500.00	-	500.00
Emergency Management Services	765.07	765.07	-	765.07
Road Repair and Maintenance	35,199.90	35,199.90	4,404.91	30,794.99
Garbage and Trash Removal	10,536.72	10,536.72	6,993.84	3,542.88
Insurance:				
General Liability	475.00	475.00	-	475.00
Employee Group Health	21,912.94	21,912.94	-	21,912.94
Electricity	478.86	599.70	599.70	-
Street Lighting	7,219.69	7,219.69	2,425.49	4,794.20
Total Other Expenses Within "CAPS"	<u>143,710.36</u>	<u>143,403.20</u>	<u>38,662.66</u>	<u>104,740.54</u>
Deferred Charges and Statutory Expenditures-Municipal Within "CAPS":				
Statutory Expenditures:				
Contribution To:				
Social Security (O.A.S.I.)	586.54	586.54	-	586.54
Unemployment Compensation Insurance	1,010.15	1,010.15	-	1,010.15
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,596.69</u>	<u>1,596.69</u>	<u>-</u>	<u>1,596.69</u>

Borough of Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Total General Appropriation Reserves - Municipal Within "CAPS"	<u>171,920.18</u>	<u>171,613.02</u>	<u>43,246.66</u>	<u>128,366.36</u>
Salaries and Wages Excluded from "CAPS" Declared State of Emergency Costs for Coronavirus Response	<u>1.00</u>	<u>1.00</u>	<u>-</u>	<u>1.00</u>
Other Operations Excluded From "CAPS":				
Council on Affordable Housing	9,670.00	9,670.00	-	9,670.00
Maintenance of Free Public Library	2,079.65	2,386.81	2,386.81	-
Declared State of Emergency Costs for Coronavirus Response	<u>1.00</u>	<u>1.00</u>	<u>-</u>	<u>1.00</u>
Total Other Operations Excluded from "CAPS"	<u>11,750.65</u>	<u>12,057.81</u>	<u>2,386.81</u>	<u>9,671.00</u>
Shared Service Agreements				
Municipal Courts	<u>0.10</u>	<u>0.10</u>	<u>-</u>	<u>0.10</u>
Total General Appropriation Reserves - Municipal Excluded from "CAPS"	<u>11,751.75</u>	<u>12,058.91</u>	<u>2,386.81</u>	<u>9,672.10</u>
Total General Appropriation Reserves	<u>183,671.93</u>	<u>183,671.93</u>	<u>45,633.47</u>	<u>138,038.46</u>
			A-4	A-1

Ref.

<u>Analysis of Appropriation Reserves</u>	
Unencumbered	A 180,927.79
Encumbered	A 2,744.14
	<u>183,671.93</u>

Borough of Milford, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2021

<u>Liabilities and Reserves</u>	Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2021</u>
<u>Liabilities:</u>				
Due State of NJ Marriage License Fees	150.00	50.00	150.00	50.00
Accounts Payable	413.77	25.00	413.77	25.00
Tax Overpayments	9,396.64	-	-	9,396.64
<u>Reserves for:</u>				
Tax Appeals Pending	150,000.00	-	-	150,000.00
	<u>159,960.41</u>	<u>75.00</u>	<u>563.77</u>	<u>159,471.64</u>
	A			A
	<u>Ref.</u>			
Cash Receipts	A-4	50.00	-	
Cash Disbursements	A-4	-	563.77	
Appropriation Reserves	A-11	25.00	-	
		<u>75.00</u>	<u>563.77</u>	

Borough of Milford, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	26,302.57
Increased by:		
Receipts - Prepaid 2022 Taxes	A-4	<u>31,139.24</u>
		57,441.81
Decreased by:		
Applied to 2021 Taxes	A-6	<u>26,302.57</u>
Balance - December 31, 2021	A	<u><u>31,139.24</u></u>

Borough of Milford, N.J.
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	A		817.83
Increased by:			
Levy	A-6	438,630.83	
Added and Omitted Taxes	A-6	308.96	
	A-1	<u> </u>	<u>438,939.79</u>
			<u>439,757.62</u>
Decreased by:			
Payments	A-4		<u>439,448.66</u>
Balance - December 31, 2021	A		<u><u>308.96</u></u>

Borough of Milford, N.J.

Schedule of Local School District Taxes Payable

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020			
School Taxes Payable	A	123,067.81	
School Tax Deferred		<u>691,337.75</u>	
			814,405.56
Increased by:			
Levy July 1, 2021 to June 30, 2022	A-6		<u>2,025,247.00</u>
			<u>2,839,652.56</u>
Decreased by:			
Payments	A-4		<u>1,966,525.59</u>
Balance - December 31, 2021			
School Taxes Payable	A	181,789.22	
School Tax Deferred		<u>691,337.75</u>	
			<u>873,126.97</u>
2021 Liability for Local District School			
Tax Paid			1,966,525.59
Tax Payable Dec. 31, 2021			<u>181,789.22</u>
			<u>2,148,314.81</u>
Less: Taxes Payable - Dec. 31, 2020			<u>123,067.81</u>
Amount Charged to 2021 Operations	A-1		<u><u>2,025,247.00</u></u>

Borough of Milford, N.J.

Schedule of Regional High School Taxes Payable

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020			
School Taxes Payable	A	168,836.70	
School Tax Deferred		<u>355,110.00</u>	
			523,946.70
Increased by:			
Levy July 1, 2021 to June 30, 2022	A-6		<u>757,910.00</u>
			1,281,856.70
Decreased by:			
Payments	A-4		<u>773,681.00</u>
Balance - December 31, 2021			
School Taxes Payable	A	153,065.70	
School Tax Deferred		<u>355,110.00</u>	
			<u>508,175.70</u>
2021 Liability for Regional High School			
Tax Paid			773,681.00
Tax Payable Dec. 31, 2021			<u>153,065.70</u>
			926,746.70
Less: Taxes Payable - Dec. 31, 2020			<u>168,836.70</u>
Amount Charged to 2021 Operations	A-1		<u>757,910.00</u>

Borough of Milford, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Fund</u>	Due From/(To) Balance		<u>Decreased</u>	Due From/(To) Balance	
	<u>Dec. 31, 2020</u>	<u>Increased</u>		<u>Dec. 31, 2021</u>	
General Capital Fund	40,000.00	-	-	40,000.00	
Current Fund	(24,146.58)	67,168.86	-	43,022.28	
	<u>15,853.42</u>	<u>67,168.86</u>	<u>-</u>	<u>83,022.28</u>	
	A	A-20	A-19	A	

Borough of Milford, N.J.
Schedule of Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2021

<u>Grant</u>	<u>Budget Revenue</u>	<u>Transfer from Unappropriated Reserves</u>
Clean Communities	4,000.00	4,000.00
	<u>4,000.00</u>	<u>4,000.00</u>
	A-2	A-20

Borough of Milford, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	Transfer From 2021 <u>Budget</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Clean Communities	8,214.00	4,000.00	-	12,214.00
Recycling Tonnage	2,389.42	-	-	2,389.42
Reserve for Stormwater	1,250.00	-	-	1,250.00
	<u>11,853.42</u>	<u>4,000.00</u>	<u>-</u>	<u>15,853.42</u>
	A	A-3	A-17	A

Borough of Milford, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Transfer</u> <u>From 2021</u> <u>Budget</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Clean Communities	4,000.00	4,000.00	4,000.00	4,000.00
SLFRF American Rescue Plan	-	-	61,806.78	61,806.78
Recycling Tonnage Grant	-	-	1,362.08	1,362.08
	<u>4,000.00</u>	<u>4,000.00</u>	<u>67,168.86</u>	<u>67,168.86</u>
	A	A-18	A-17	A

Borough of Milford, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance - December 31, 2020	B	3,222.56	71,334.31
Increased by Receipts:			
Dog License Fees - Township	B-2	761.60	-
Late Fees	B-2	166.00	-
Interfund - Current Fund	B-3	0.51	39.28
Dog License Fees - State Share	B-4	164.40	-
Other Trust Funds	B-5	-	693,574.37
Total Receipts		<u>1,092.51</u>	<u>693,613.65</u>
		4,315.07	764,947.96
Decreased by Disbursements:			
Reserve for Animal Control Trust Fund	B-2	416.00	-
State Share - Dog Licenses	B-4	164.40	-
Other Trust Funds	B-5	-	659,550.72
Total Disbursements		<u>580.40</u>	<u>659,550.72</u>
Balance - December 31, 2021	B	<u>3,734.67</u>	<u>105,397.24</u>

Borough of Milford, N.J.

Reserve/(Deficit) for Animal Control Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	B		1,831.80
Increased by:			
Dog License Fees	B-1	761.60	
Late Fees/Miscellaneous	B-1	<u>166.00</u>	
			<u>927.60</u>
			2,759.40
Decreased by:			
Statutory Excess	B-3	779.40	
Expenditures R.S. 4:19-1511	B-1	<u>416.00</u>	
			<u>1,195.40</u>
Balance - December 31, 2021	B		<u><u>1,564.00</u></u>

License Fees Collected

<u>Year</u>	
2019	816.00
2020	<u>748.00</u>
	<u><u>1,564.00</u></u>

Borough of Milford, N.J.

Schedule of Interfunds

Trust Fund

Year Ended December 31, 2021

	Due (to)/from Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due (to)/from Balance <u>Dec. 31, 2021</u>
<u>Animal Control Trust Fund</u>				
Current Fund	(1,368.36)	-	779.91	(2,148.27)
<u>Other Trust Fund</u>				
Current Fund	(4,143.86)	43,600.00	39.28	39,416.86
	<u>(5,512.22)</u>	<u>43,600.00</u>	<u>819.19</u>	<u>37,268.59</u>
	B			B
	<u>Ref.</u>			
Receipts-Trust Funds	B-1	-	39.28	
Receipts-Animal Trust	B-1	-	0.51	
Statutory Excess - Animal Control	B-2		779.40	
Other Trust Funds	B-5	43,600.00	-	
		<u>43,600.00</u>	<u>819.19</u>	

Schedule of Due to State Department of Health

Trust Funds

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	B	22.40
Increased by:		
State Fees Collected	B-1	<u>164.40</u>
		186.80
Decreased by:		
Paid to State	B-1	<u>164.40</u>
Balance - December 31, 2021	B	<u>22.40</u>

Borough of Milford, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Payroll Fund	22,972.36	642,406.17	640,734.44	24,644.09
Escrow Deposits	27,973.77	39,432.75	18,816.28	48,590.24
Tax Sale Premiums	7,500.00	43,600.00	-	51,100.00
POAA	2.00	-	-	2.00
Public Defender	1,150.00	-	-	1,150.00
Outside Liens	0.02	-	-	0.02
COAH	7,592.30	11,735.45	-	19,327.75
	<u>67,190.45</u>	<u>737,174.37</u>	<u>659,550.72</u>	<u>144,814.10</u>
	B	B-1	B-1	B
	<u>Ref.</u>			
Cash Receipts	B-1	693,574.37	-	
Cash Disbursements	B-1	-	659,550.72	
Interfunds	B-3	43,600.00	-	
		<u>737,174.37</u>	<u>659,550.72</u>	

Borough of Milford, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	C;C-3		746,196.16
Increased by Receipts:			
Capital Surplus	C-1	1,503.00	
Interfund - Current Fund	C-4	35.24	
Grants Receivable	C-5	51,250.00	
Capital Improvement Fund	C-7	175,000.00	
Various Reserves	C-9	<u>70,500.00</u>	
			<u>298,288.24</u>
			1,044,484.40
Decreased by Disbursements:			
Interfund - Current Fund	C-4	1,343.00	
Improvement Authorizations	C-8	<u>155,076.87</u>	
			<u>156,419.87</u>
Balance - December 31, 2021	C;C-3		<u><u>888,064.53</u></u>

Borough of Milford, N.J.
Analysis of Cash
General Capital Fund

Year Ended December 31, 2021

	Balance Dec. 31, 2020	Receipts		Disbursements		Transfers		Balance Dec. 31, 2021
		Budget Appropriations	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	To	(From)	
Fund Balance	16,689.18	-	1,503.00	-	-	-	-	18,192.18
Capital Improvement Fund	205,687.23	175,000.00	-	-	-	-	(80,122.50)	300,564.73
Interfund - Current Fund	83,345.42	-	-	35.24	1,343.00	20,000.00	-	102,037.66
Interfund - Federal and State Grant Fund	40,000.00	-	-	-	-	-	-	40,000.00
Interfund - Water Capital Fund	7,249.45	-	-	-	-	-	-	7,249.45
DOT Grant Receivable	(51,250.00)	-	-	51,250.00	-	-	-	-
Reserve for:								
Fire Apparatus and Equipment	265,661.60	-	-	25,000.00	-	-	-	290,661.60
Ambulance	45,301.00	-	-	11,000.00	-	-	-	56,301.00
Debt Service	0.95	-	-	-	-	-	-	0.95
Debt Service - Green Street	103,500.00	-	-	34,500.00	-	-	(20,000.00)	118,000.00
<u>Improvement Authorizations</u>								
<u>Ordinance</u>								
796-12 Stone's Dam Stream Stabilization Project	104,992.89	-	-	-	-	-	-	104,992.89
822-14 Improvements to Mt. Nebo Rd. - Section 2	(15,088.81)	-	-	-	-	-	-	(15,088.81)
841-15 Improvements to Mt. Nebo Rd. - Section 1	(87,000.00)	-	-	-	-	-	-	(87,000.00)
860-16 Purchase of Fire Equipment	315.80	-	-	-	-	-	-	315.80
884-18 Master Plan Update	7,806.43	-	-	-	-	-	-	7,806.43
887-18 Improvements to Railroad Avenue	(84,006.42)	-	-	-	12,750.37	-	-	(96,756.79)
902-19 Improvements to Green St	14,949.54	-	-	-	6,641.50	-	-	8,308.04
907-19 Street Improvements	18,041.90	-	-	-	-	-	-	18,041.90
908-19 Computer Updates	-	-	-	-	1,685.00	1,685.00	-	-
914-20 Firehouse Security	3,000.00	-	-	-	-	-	-	3,000.00
916-20 Purchase of Turnout Gear	-	-	-	-	12,500.00	12,500.00	-	-
922-20 Purchase of Backhoe	67,000.00	-	-	-	66,500.00	-	-	500.00
927-21 Purchase of Ambulance	-	-	-	-	55,000.00	56,301.00	-	1,301.00
929-21 Purchase of Holiday Lighting	-	-	-	-	-	2,836.50	-	2,836.50
933-21 Re-Design of Library Architecture	-	-	-	-	-	6,800.00	-	6,800.00
	<u>746,196.16</u>	<u>175,000.00</u>	<u>1,503.00</u>	<u>121,785.24</u>	<u>156,419.87</u>	<u>100,122.50</u>	<u>(100,122.50)</u>	<u>888,064.53</u>
	C ₁ C-2							C ₁ C-2

Borough of Milford, N.J.

Schedule of Interfund Accounts Receivable (Payable)

General Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Federal & State Grant Fund</u>	<u>Current Fund</u>	<u>Water Capital Fund</u>
Balance - December 31, 2020	C	(40,000.00)	(83,345.42)	(7,249.45)
Increased by:				
Cash Disbursements	C-2	<u>-</u>	<u>1,343.00</u>	<u>-</u>
		(40,000.00)	(82,002.42)	(7,249.45)
Decreased by:				
Cash Receipts	C-2	-	35.24	-
Capital Reserves	C-9	<u>-</u>	<u>20,000.00</u>	<u>-</u>
		<u>-</u>	<u>20,035.24</u>	<u>-</u>
Balance - December 31, 2021	C	<u>(40,000.00)</u>	<u>(102,037.66)</u>	<u>(7,249.45)</u>

Borough of Milford, N.J.
Schedule of Grants Receivable
General Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	C	<u>51,250.00</u>
Decreased by:		
Cash Receipts	C-2	<u>51,250.00</u>

Borough of Milford, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2021

Ord. No.	Improvement Description	Balance Dec. 31, 2020	Funded by Budget Appropriation Dec. 31, 2021	Balance Dec. 31, 2021	Analysis of Balance Dec. 31, 2021	
					Expended	Unexpended Improvement Authorization
					Financed by Bond Anticipation Notes	
822-14	Improvements to Mt. Nebo Rd. - Sec. 2	137,600.00	15,000.00	122,600.00	75,000.00	47,600.00
840-15	Improvements to Public Library Roof	156,000.00	26,000.00	130,000.00	130,000.00	-
841-15	Improvements to Mt. Nebo Rd. - Sec. 1	207,000.00	20,000.00	187,000.00	100,000.00	87,000.00
887-18	Improvements to Railroad Avenue	99,750.00	-	99,750.00	-	96,756.79
902-19	Improvements to Green St	200,000.00	20,000.00	180,000.00	180,000.00	-
		<u>800,350.00</u>	<u>81,000.00</u>	<u>719,350.00</u>	<u>485,000.00</u>	<u>231,356.79</u>
		C	C-10	C	C-10	C-8

Ref.	Amount
Improvement Authorizations Unfunded	43,812.44
Less: Unexpended Proceeds of Bond Anticipation Notes	
Ord. Number	
822-14	32,511.19
902-19	8,308.04
	<u>40,819.23</u>
	<u>2,993.21</u>

Borough of Milford, N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	C	205,687.23
Increased by:		
Budget Appropriation	C-2	<u>175,000.00</u>
		380,687.23
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	<u>80,122.50</u>
Balance - December 31, 2021	C	<u><u>300,564.73</u></u>

Borough of Milford, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2021

Ord. No.	Improvement Description	Amount	Balance Dec. 31, 2020		2021 Authorizations	Expended	Balance Dec. 31, 2021	
			Funded	Unfunded			Funded	Unfunded
796-12	Stone's Dam Stream Stabilization Project	244,000.00	104,992.89	-	-	-	104,992.89	-
822-14	Improvements to Mt Nebo Rd - Sec. 2	358,000.00	-	32,511.19	-	-	-	32,511.19
860-16	Purchase of Fire Equipment	12,000.00	315.80	-	-	-	315.80	-
884-18	Master Plan Update	16,000.00	7,806.43	-	-	-	7,806.43	-
887-18	Improvements to Railroad Avenue	310,000.00	-	15,743.58	-	12,750.37	-	2,993.21
902-19	Improvements to Green St	200,000.00	-	14,949.54	-	6,641.50	-	8,308.04
907-19	Street Improvements	60,000.00	18,041.90	-	-	-	18,041.90	-
908-19	Computer Updates	1,685.00	-	-	1,685.00	1,685.00	-	-
914-20	Firehouse Security	3,000.00	3,000.00	-	-	-	3,000.00	-
916-20	Purchase of Turnout Gear	12,500.00	-	-	12,500.00	12,500.00	-	-
922-20	Purchase of Backhoe	67,000.00	67,000.00	-	-	66,500.00	500.00	-
927-21	Purchase of Ambulance	56,301.00	-	-	56,301.00	55,000.00	1,301.00	-
929-21	Purchase of Holiday Lighting	2,836.50	-	-	2,836.50	-	2,836.50	-
933-21	Re-Design of Library Architecture	6,800.00	-	-	6,800.00	-	6,800.00	-
			<u>201,157.02</u>	<u>63,204.31</u>	<u>80,122.50</u>	<u>155,076.87</u>	<u>145,594.52</u>	<u>43,812.44</u>
			C	C	C-7	C-2	C	C;C-6

Borough of Milford, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
Fire Apparatus and Equipment	265,661.60	25,000.00	-	290,661.60
Debt Service	0.95	-	-	0.95
Debt Service - Green Street	103,500.00	34,500.00	20,000.00	118,000.00
Ambulance	45,301.00	11,000.00	-	56,301.00
	<u>414,463.55</u>	<u>70,500.00</u>	<u>20,000.00</u>	<u>464,963.55</u>
	C	C-2	C-4	C

Borough of Milford, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2021

Ord. No.	Improvement Description	Balance	Balance
		Dec. 31, 2020	Dec. 31, 2021
822-14	Improvements to Mt. Nebo Rd. - Sec. 2	47,600.00	47,600.00
841-15	Improvements to Mt. Nebo Rd. - Sec. 1	87,000.00	87,000.00
887-18	Improvements to Railroad Avenue	99,750.00	99,750.00
		<u>234,350.00</u>	<u>234,350.00</u>
		Footnote C	Footnote C

Borough of Milford, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	D	<u>245,970.55</u>	<u>182,716.20</u>
Increased by Receipts:			
Premium on Bond Anticipation Note	D-2	-	675.00
Interest on Deposits	D-3	49.52	-
Collector	D-6	402,301.04	-
Interfund - Water Operating Fund	D-11	-	10.97
Reserve for Capital Outlay	D-20	-	48,155.80
		<u>402,350.56</u>	<u>48,841.77</u>
		<u>648,321.11</u>	<u>231,557.97</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	299,344.73	-
Interfund - Sewer Operating Fund	D-11	103,799.00	-
Appropriation Reserves	D-14	6,879.78	-
Accrued Interest	D-16	47,308.22	-
Improvement Authorizations	D-17	-	16,503.85
		<u>457,331.73</u>	<u>16,503.85</u>
Balance - December 31, 2021	D	<u><u>190,989.38</u></u>	<u><u>215,054.12</u></u>

Borough of Milford, N.J.

Schedule of Water Utility Collector Cash

Water Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Increased by Receipts:			
Hydrants	D-3	360.00	
Miscellaneous	D-3	19,301.00	
Consumer Accounts Receivable	D-9	<u>382,640.04</u>	
			<u>402,301.04</u>
Decreased by Disbursements:			
Payment to Treasurer	D-5		<u>402,301.04</u>

Borough of Milford, N.J.
Schedule of Change Fund
Water Utility Operating Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	<u>50.00</u>
Balance - December 31, 2021	D	<u>50.00</u>

Borough of Milford, N.J.

Schedule of Water Utility Capital Cash

Water Utility Capital Fund

Year Ended December 31, 2021

	Receipts		Disbursements		Transfers (From)	Balance Dec. 31, 2021
	Balance Dec. 31, 2020	Miscellaneous	Bond Anticipation Notes Issued	Improvement Authorizations		
Fund Balance	0.24	-	675.00	-	-	675.24
Interfund - Water Operating	28,205.21	10.97	-	-	-	28,216.18
Interfund - General Capital	(7,249.45)	-	-	-	-	(7,249.45)
Reserve for Capital Outlay	35,163.65	48,155.80	-	-	-	83,319.45

Improvement Authorizations

Ordinance Number	Water Utility Improvements	Improvements to the Water System	Improvements to the Water System	To	(From)	Balance Dec. 31, 2021
903-19	79,429.60	-	16,503.85	-	-	62,925.75
906-19	37,849.02	-	-	-	-	37,849.02
918-20	9,317.93	-	-	-	-	9,317.93
	<u>182,716.20</u>	<u>48,166.77</u>	<u>16,503.85</u>	<u>-</u>	<u>-</u>	<u>215,054.12</u>
	D					D

Borough of Milford, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	22,302.36
Increased by:		
Water Rents Levied		<u>386,403.49</u>
		408,705.85
Decreased by:		
Water Rents Received	D-6	<u>382,640.04</u>
Balance - December 31, 2021	D	<u><u>26,065.81</u></u>

Borough of Milford, N.J.
Schedule of Deferred Charges
Water Utility Operating Fund
Year Ended December 31, 2021

<u>Description</u>	<u>Balance,</u> <u>Dec. 31, 2020</u>	<u>Budget</u> <u>Appropriation</u>
Operating Deficit	<u>631.87</u> D	<u>631.87</u> D-4

Borough of Milford, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Water Utility Fund

Year Ended December 31, 2021

Ref.	Balance - December 31, 2020	Water Operating Fund		Water Capital Fund	
		Water Capital Fund	Water Sewer Operating Fund	General Capital Fund	Water Operating Fund
D	28,205.21	-	-	7,249.45	(28,205.21)
Increased by:					
D-3	Interest on Investments	10.97	-	-	-
D-5	Cash Disbursed	-	103,799.00	-	-
		<u>28,216.18</u>	<u>103,799.00</u>	<u>7,249.45</u>	<u>(28,205.21)</u>
Decreased by:					
D-4	Budget Appropriation	-	-	-	-
D-5	Cash Receipts	-	-	-	10.97
D	Balance - December 31, 2021	<u>28,216.18</u>	<u>103,799.00</u>	<u>7,249.45</u>	<u>(28,216.18)</u>

Borough of Milford, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Reservation Land	833.08	833.08
Miscellaneous Land	4,034.50	4,034.50
Reservation Structures	203.20	203.20
Impounding Reservoirs	136.40	136.40
Springs and Wells	4,364.56	4,364.56
Collecting Reservoirs	15,411.92	15,411.92
Chemical Treatment Structures	8,054.55	8,054.55
Hydraulic Power Structures	3,646.69	3,646.69
Pumping Station Structures	5,955.42	5,955.42
Electric Power Pumping Equipment	7,301.08	7,301.08
Other Pumping Equipment	445.06	445.06
Miscellaneous Pumping Equipment	640.21	640.21
Transmission Mains & Accessories	18,915.65	18,915.65
Storage Reservoirs, Tanks and Standpipes	16,452.03	16,452.03
Distribution Mains & Accessories	93,610.16	93,610.16
Hydraulic Power Pumping Equipment	1,061.49	1,061.49
Services, Pipe & Yokes	7,666.62	7,666.62
Meters, Meter Boxes and Vaults	120,219.27	120,219.27
Fire Hydrants	11,853.36	11,853.36
General Structures	139.91	139.91
General Equipment	13,779.62	13,779.62
Engineering and Superintendence	2,039.55	2,039.55
Law Expenditures During Construction	33.80	33.80
Interest During Construction	136.88	136.88
Miscellaneous Construction Expenditures	1,314.46	1,314.46
Architect's Fees	60.00	60.00
Pick Up Truck	6,803.00	6,803.00
Capital Outlay	87,069.24	87,069.24
Telemetry System	26,021.68	26,021.68
Booster Station	4,415.68	4,415.68
Utility Truck	31,716.47	31,716.47
Improvements to Water System	2,334,153.67	2,334,153.67
Purchase New Water Meters	26,425.30	26,425.30
Water Line Project - Looping the lines from Dawn Road to Phyliss Road	22,000.00	22,000.00
Purchase of Land	28,250.00	28,250.00
Mower	12,930.00	12,930.00
Backhoe	18,459.50	18,459.50
Dump Truck	24,397.00	24,397.00
Installation of Booster Pump and Replacement of Water Storage Standpipes	950,000.00	950,000.00
Replacement of Roof	12,044.00	12,044.00
	<u>3,922,995.01</u>	<u>3,922,995.01</u>
	D	D

Borough of Milford, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance, Dec. 31, 2020</u>	<u>Balance, Dec. 31, 2021</u>
903-19	Water Utility Improvements	08/05/19	220,000.00	220,000.00	220,000.00
906-19	Improvements to the Water System	10/07/19	65,000.00	65,000.00	65,000.00
918-20	Improvements to the Water System	10/05/20	9,317.93	9,317.93	9,317.93
				<u>294,317.93</u>	<u>294,317.93</u>
				D	D

Borough of Milford, N.J.

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2021

	Balance, Dec. 31, 2020	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	10,289.78	10,289.78	993.60	9,296.18
Other Expenses	48,526.41	48,526.41	5,886.18	42,640.23
Statutory Expenditures:				
Social Security System (O.A.S.I.)	399.71	399.71	-	399.71
Unemployment Compensation Insurance	272.46	272.46	-	272.46
	<u>59,488.36</u>	<u>59,488.36</u>	<u>6,879.78</u>	<u>52,608.58</u>
			D-5	D-1

	<u>Ref.</u>
Unencumbered	D 59,199.37
Encumbered	D 288.99
	<u>59,488.36</u>

Borough of Milford, N.J.
Schedule of Accounts Payable
Water Utility Operating Fund
Year Ended December 31, 2021

Balance - December 31, 2020	<u>Ref.</u> D	<u>150.00</u>
Balance - December 31, 2021	D	<u>150.00</u>

Borough of Milford, N.J.

Schedule of Accrued Interest on Loans and Notes

Water Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Totals</u>	<u>Notes</u>	<u>Loans</u>
Balance - December 31, 2020	D	16,798.26	9,086.87	7,711.39
Increased by:				
Budget Appropriations	D-4	43,267.00	-	43,267.00
		<u>60,065.26</u>	<u>9,086.87</u>	<u>50,978.39</u>
Decreased by:				
Disbursements	D-5	47,308.22	3,840.22	43,468.00
Balance - December 31, 2021	D	<u>12,757.04</u>	<u>5,246.65</u>	<u>7,510.39</u>
<u>Principal Outstanding December 31, 2021</u>				
<u>U.S.D.A. Rural Development Loan:</u>				
\$674,761.36		3,690.10	17.67	3,707.77
\$471,717.16		3,784.50	18.12	3,802.62
		<u>7,474.60</u>	<u>35.79</u>	<u>7,510.39</u>
<u>Bond Anticipation Notes:</u>				
\$220,000.00		1,882.22	3,364.43	5,246.65

Borough of Milford, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2021

Ord. Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2020		Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded		Funded	Unfunded
903-19	Water Utility Improvements	08/05/19	220,000.00	-	79,429.60	16,503.85	0.00	62,925.75
906-19	Improvements to the Water System	10/07/19	65,000.00	37,849.02	-	-	37,849.02	-
918-20	Improvements to the Water System	10/05/20	9,317.93	9,317.93	-	-	9,317.93	-
				<u>47,166.95</u>	<u>79,429.60</u>	<u>16,503.85</u>	<u>47,166.95</u>	<u>62,925.75</u>
				D	D	D-5	D	D

Borough of Milford, N.J.

Schedule of Loans Payable

Water Utility Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Maturities Outstanding December 31, Date	Amount	Interest Rate	Dec. 31, 2020	Decreased	Dec. 31, 2021
Improvements to Water System	11/15/99	5/15/21 - 11/15/39	See Notes	4.375%	699,056.49	24,295.13	674,761.36
Improvements to Water System	09/16/15	3/16/21 - 3/16/55	See Notes	2.750%	480,211.34	8,494.18	471,717.16
					<u>1,179,267.83</u>	<u>32,789.31</u>	<u>1,146,478.52</u>
					D	D-19	D

Borough of Milford, N.J.

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	2,743,727.18
Increased by:		
Debt Service Raised in Operating Budget:		
General Obligation Loan	D-18	<u>32,789.31</u>
Balance - December 31, 2021	D	<u><u>2,776,516.49</u></u>

Schedule of Reserves

Water Utility Capital Fund

Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Reserve for Capital Outlay	<u>35,163.65</u>	<u>48,155.80</u>	<u><u>83,319.45</u></u>
	D	D-5	D

Borough of Milford, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</u>
906-19	Improvements to the Water System	10/07/19	65,000.00	65,000.00
918-20	Improvements to the Water System	10/05/20	9,317.93	9,317.93
			<u>74,317.93</u>	<u>74,317.93</u>
			D	D

Borough of Milford, N.J.

Schedule of Cash

Sewer Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	E; E-7	<u>944,375.20</u>	<u>1,135,943.53</u>
Increased by Receipts:			
Interest on Deposits	E-3	215.96	-
Miscellaneous Revenue	E-3	5,000.00	-
Collector	E-6	723,662.72	-
Interfund - Water Operating Fund	E-9	358.00	-
Interfund - Sewer Operating Fund	E-9	-	66.74
Reserve for Capital Outlay	E-20	-	88,075.71
		<u>729,236.68</u>	<u>88,142.45</u>
		<u>1,673,611.88</u>	<u>1,224,085.98</u>
Decreased by Disbursements:			
Budget Appropriations	E-4	602,850.79	-
Appropriation Reserves	E-13	20,791.55	-
Accrued Interest	E-14	18,116.00	-
		<u>641,758.34</u>	<u>-</u>
Balance - December 31, 2021	E; E-7	<u><u>1,031,853.54</u></u>	<u><u>1,224,085.98</u></u>

Borough of Milford, N.J.

Schedule of Sewer Utility Collector Cash

Sewer Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Increased by Receipts:			
Holland Township Share	E-3	290,745.53	
Holland Township Share Debt Service	E-3	103,441.00	
Consumer Accounts Receivable	E-8	<u>329,476.19</u>	
			<u>723,662.72</u>
Decreased by Disbursements:			
Payment to Treasurer	E-5		<u>723,662.72</u>

Borough of Milford, N.J.

Schedule of Sewer Utility Capital Cash

Sewer Utility Fund

Year Ended December 31, 2021

	Balance Dec. 31, 2020	Receipts		Balance Dec. 31, 2021
		Budget Appropriations	Miscellaneous	
Fund Balance	30,622.50	-	-	30,622.50
Capital Improvement Fund	48,538.75	-	-	48,538.75
Interfund - Sewer Operating Fund	33,350.92	-	66.74	33,417.66
Reserve for Capital Outlay	480,547.81	88,075.71	-	568,623.52
<u>Improvement Authorizations</u>				
<u>Ordinance</u>				
<u>Number</u>				
717-06 Improvements to Sewer Utility System	23,723.52	-	-	23,723.52
742-08 Upgrades to the Wastewater Disposal System Treatment Plant	516,057.03	-	-	516,057.03
764-10 Purchase Dump Truck	3,103.00	-	-	3,103.00
	<u>1,135,943.53</u>	<u>88,075.71</u>	<u>66.74</u>	<u>1,224,085.98</u>
	E;E-5			E;E-5

Borough of Milford, N.J.

Schedule of Consumer Accounts Receivable

Sewer Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	E		67,539.96
Increased by:			
Sewer Rents Levied			<u>326,572.71</u>
			394,112.67
Decreased by:			
Sewer Rents	E-6	329,476.19	
Due from Current Fund	E-9	<u>1,369.88</u>	
	E-3		<u>330,846.07</u>
Balance - December 31, 2021	E		<u><u>63,266.60</u></u>

Borough of Milford, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Sewer Utility Fund

Year Ended December 31, 2021

	Ref.	Sewer Operating Fund			Sewer Capital Fund
		Sewer Capital Fund	Water Operating Fund	Current Fund	
Balance - December 31, 2020	E	33,350.92	-	(71,604.21)	(33,350.92)
Increased by:					
Interest on Deposits	E-3	66.74	-	-	-
Receipts	E-5	-	-	-	66.74
Sewer Rents	E-8	-	-	1,369.88	-
		<u>33,417.66</u>	<u>-</u>	<u>(70,234.33)</u>	<u>(33,417.66)</u>
Decreased by:					
Receipts	E-5	-	358.00	-	-
Appropriation Payable	E-4	-	-	27,249.16	-
Accrued Interest	E-14	-	103,441.00	-	-
		<u>-</u>	<u>103,799.00</u>	<u>27,249.16</u>	<u>-</u>
Balance - December 31, 2021	E	<u>33,417.66</u>	<u>(103,799.00)</u>	<u>(97,483.49)</u>	<u>(33,417.66)</u>

Borough of Milford, N.J.
Schedule of Accounts Payable
Sewer Utility Fund
Year Ended December 31, 2021

Balance - December 31, 2020	<u>Ref.</u> E	<u>50.00</u>
Balance - December 31, 2021	E	<u>50.00</u>

Borough of Milford, N.J.

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Sanitary Sewerage System	1,447,275.50	1,447,275.50
Refunding Bond Issue	417,176.00	417,176.00
Purchase of Vortair Aerator Assembly	4,590.00	4,590.00
Capital Outlay	161,877.00	161,877.00
Purchase of Sewer Chain	5,000.00	5,000.00
Sewer Sludge Chain	87,734.47	87,734.47
Vehicles	22,000.00	22,000.00
Upgrades to the Wastewater Disposal System Treatment Plant	1,710,703.50	1,710,703.50
	<u>3,856,356.47</u>	<u>3,856,356.47</u>
	E	E

Borough of Milford, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Operating Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance,</u>	<u>Balance,</u>
		<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2021</u>
717-06	Improvements to Sewer Utility System	05/15/07	500,000.00	500,000.00	500,000.00
742-08	Upgrades to the Wastewater Disposal System Treatment Plant	09/02/08	4,135,000.00	4,135,000.00	4,135,000.00
764-10	Purchase of Dump Truck	10/04/10	27,500.00	27,500.00	27,500.00
				<u>4,662,500.00</u>	<u>4,662,500.00</u>
				E	E

Borough of Milford, N.J.

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2021

	Balance, Dec. 31, 2020	Balance after Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	974.81	6,147.66	6,147.66	-
Other Expenses	19,516.63	14,343.78	14,343.78	-
	<u>303.04</u>	<u>303.04</u>	<u>300.11</u>	<u>2.93</u>
Statutory Expenditures:	<u>20,794.48</u>	<u>20,794.48</u>	<u>20,791.55</u>	<u>2.93</u>
Unemployment Compensation Insurance			E-5	E-1
Analysis of Appropriation Reserve				
Unencumbered	E 10,931.98			
Encumbered	E 9,862.50			
	<u>20,794.48</u>			

Borough of Milford, N.J.

Schedule of Accrued Interest on Loans and Notes

Sewer Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Total</u>	<u>Notes</u>	<u>Loans</u>
Balance December 31, 2020	E	51,549.10	8,897.76	42,651.34
Transfers				
Increased by:				
Budget Appropriation	E-4	120,755.00	-	120,755.00
Decreased by:				
Cash Disbursed	E-5	18,116.00	-	18,116.00
Interfund - Water Operating	E-9	103,441.00	-	103,441.00
		121,557.00	-	121,557.00
Balance December 31, 2021	E	50,747.10	8,897.76	41,849.34

<u>Analysis of Balance</u>	<u>Interest</u>	<u>From</u>	<u>To</u>	<u>Number</u>	<u>Excess/</u>	<u>Actual</u>
<u>Principal</u>	<u>Rate</u>	<u>Amount</u>	<u>Days</u>	<u>of</u>	<u>Deficit</u>	<u>Amount</u>
<u>Outstanding</u>				<u>Days</u>		
<u>December 31, 2021</u>						
U.S.D.A Rural Development Loan:	3.000%	9/20/2021	12/31/2021	102	7,954.16	41,849.34
\$3,987,668.00						
		33,895.18				

Borough of Millford, N.J.

Schedule of U.S.D.A. Development Loan

Sewer Utility Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities Outstanding December 31, 2021	Interest Rate	Balance	
					Dec. 31, 2020	Dec. 31, 2021
Upgrades to the Wastewater Disposal System Treatment Plant	9/20/10	4,800,000.00	3/20/21 - 9/20/50	3.00%	4,072,979.72	3,987,668.00
					E	E
					85,311.72	
					E-18	

Borough of Milford, N.J.

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2020		Balance Dec. 31, 2021	
				Funded	Unfunded	Funded	Unfunded
717-06	Imp. To the Sewer Utility System	05/15/07	500,000.00	-	23,723.52	-	23,723.52
742-08	Upgrades to the Wastewater Disposal System Treatment Plant	09/02/08	4,135,000.00	-	516,057.03	-	516,057.03
764-10	Purchase of Dump Truck	10/04/10	27,500.00	3,103.00	-	3,103.00	-
				<u>3,103.00</u>	<u>539,780.55</u>	<u>3,103.00</u>	<u>539,780.55</u>
				E	E	E	E

Borough of Milford, N.J.
Schedule of Capital Improvement Fund
Sewer Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	<u>48,538.75</u>
Balance - December 31, 2021	E	<u>48,538.75</u>

Schedule of Reserve for Amortization
Sewer Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	4,418,376.75
Increased by:		
U.S.D.A. Development Loan Paid by Operating Budget	E-15	<u>85,311.72</u>
Balance - December 31, 2021	E	<u>4,503,688.47</u>

Borough of Milford, N.J.

Schedule of Deferred Reserve for Amortization

Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2020</u>	<u>Balance, Dec. 31, 2021</u>
764-10	Purchase of Dump Truck	10/04/10	<u>27,500.00</u>	<u>27,500.00</u>
			E	E

Borough of Milford, N.J.

Schedule of Various Reserve for Sewer Capital

Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Improvement Description</u>	<u>Balance, Dec. 31,2020</u>	<u>Increased by: Budget Appropriations</u>	<u>Balance, Dec. 31,2021</u>
Reserve for Capital Outlay	<u>480,547.81</u>	<u>88,075.71</u>	<u>568,623.52</u>
	E	E-5	E

Borough of Milford, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2021

	<u>Ref.</u>	<u>P.A.T.F.</u> <u>Account #1</u>
Balance - December 31, 2020	F	1,512.20
Increased by Receipts:		
Interfund - Current Fund	F-3	106.44
		<hr/> 1,618.64
Decreased by Disbursements:		
Cash Disbursements	F-4	106.44
		<hr/> 1,512.20
Balance - December 31, 2021	F	<hr/> <hr/> 1,512.20

Borough of Milford, N.J.

Schedule of Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	F-1	1,512.20
Increased by Receipts:		
Cash Receipts Record		106.44
		<u>1,618.64</u>
Decreased by Disbursements:		
Cash Disbursements Record		106.44
		<u>106.44</u>
Balance - December 31, 2021	F-1	<u><u>1,512.20</u></u>
		P.A.T.F.
<u>Reconciliation - December 31, 2021</u>		<u>Account #1</u>
Balance on Deposit per Statement of:		
PNC Bank		
Savings		1,512.20
		<u>1,512.20</u>
Balance - December 31, 2021		<u><u>1,512.20</u></u>

Borough of Milford, N.J.
Schedule of Revenues - Cash Basis
Public Assistance Fund
Year Ended December 31, 2021

		P.A.T.F. <u>Account #1</u>
Interest Earned	F-5	<u>106.44</u>
Total Revenues (P.A.T.F.)		<u>106.44</u>
		F-1;F-6

F-4

Schedule of Expenditures - Cash Basis
Public Assistance Fund
Year Ended December 31, 2021

	<u>Ref.</u>	P.A.T.F. <u>Account #1</u>
Interfund - Current Fund	F-6	<u>106.44</u>
Total Disbursements (P.A.T.F.)	F-1	<u>106.44</u>

Borough of Milford, N.J.
Schedule of Reserve for Public Assistance
Public Assistance Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	F	1,512.20
Increased by:		
Interest Earned	F-3	106.44
		<u>1,618.64</u>
Decreased by:		
Interfund - Current Fund	F-4	106.44
		<u>106.44</u>
Balance - December 31, 2021	F	<u><u>1,512.20</u></u>

Schedule of Interfund Current Fund
Public Assistance Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
Interest on Investments	F-3	106.44
		<u><u>106.44</u></u>
Decreased by:		
Disbursements	F-4	106.44
		<u><u>106.44</u></u>

BOROUGH OF MILFORD

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PART II

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE
AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and
Members of the Borough Council
Borough of Milford
Milford, New Jersey 08848

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Milford in the County of Hunterdon as of and for the year ended December 31, 2021 and the related notes to the financial statements, and have issued our report thereon dated August 3, 2022, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Milford's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Milford's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Milford's internal control.

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



Honorable Mayor and
Members of the Borough Council
Page 2

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. We did identify certain immaterial deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, as 2021-1, that we consider to be a significant deficiency.

Compliance and Other Matters

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Milford in the accompanying comments and recommendations section of this report.

Borough of Milford's Responses to Findings

The Borough of Milford's response to the findings identified in our audit are described in the accompanying Summary of Findings & Responses section of our audit. The Borough's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

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 Borough of Milford internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Milford internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413

Wielkotz & Company, LLC
Certified Public Accountants
Pompton Lakes, New Jersey



August 3, 2022

BOROUGH OF MILFORD

SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED DECEMBER 31, 2021

Summary of Auditor's Results:

A qualified opinion was issued on the Borough's financial statements prepared on an other comprehensive basis of accounting.

The audit did disclose a significant deficiency in the internal controls of the Borough.

The Borough was not subject to the single audit provisions of Uniform Guidance and State Circular 15-08 OMB for 2020 as grant expenditures were less than the single audit thresholds identified in the Circulars.

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

The audit did disclose findings required to be reported under Generally Accepted Government Auditing Standards, as follows:

Finding 2021-01:

Segregation of Duties

The Borough does not maintain an adequate segregation of duties within the Treasury Department, Tax Collector Department, and the Water and Sewer Operating Departments. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The Chief Financial Officer controls disbursements of funds, has control of checks, has control of signature stamps and reconciles bank statements. This situation occurred because of the limited number of employees qualified to perform other accounting functions. The Borough also does not have adequate controls within the software system. The Borough was made aware of this lack on internal control and will consider strengthening Internal Control within reason of the costs and benefits derived.

Management's Response:

The Borough will consider strengthening internal control within reason of costs and benefits derived and also budget constraints.

Findings and Questioned Costs for Federal Awards:

Not applicable

Findings and Questioned Costs for State Awards:

Not applicable

BOROUGH OF MILFORD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2021

The Borough's prior year finding, 2020-01, regarding Segregation of Duties has not been corrected and is included in the audit for the year ended December 31, 2021.

Condition:

Finding 2020-01:

Segregation of Duties

The Borough does not maintain an adequate segregation of duties within the Treasury Department, Tax Collector Department and the Water and Sewer Operating Departments. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The Chief Financial Officer controls disbursements of funds, has control of checks, has control of signature stamps and reconciles bank statements. This situation occurred because of the limited number of employees qualified to perform other accounting functions. The Borough also does not have adequate controls within the software system. The Borough was made aware of this lack on internal control and will consider strengthening Internal Control within reason of the costs and benefits derived.

Current Status:

Corrective action has not been taken. The Borough was made aware of this lack on internal control and will consider strengthening Internal Control within reason of the costs, benefits derived and budget constraints.

GENERAL COMMENTS

Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2021, and at [DATE], in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

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

a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, or \$21,000 as of July 1, 2005, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000, or \$21,000 as of July 1, 2005. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

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

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

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

GENERAL COMMENTS (CONTINUED)

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

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$40,000.00. On July 1, 2020 this amount was increased to \$44,000.00 with a qualified purchasing agent.

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

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for Borough Appraiser, Engineer, Auditor, Attorney, Municipal Prosecutor, Borough Planner, Special Prosecutor, Insurance Agent and Bond Counsel.

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

Our review of the Borough's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "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.A. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 4, 2021 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Milford, County of Hunterdon, State of New Jersey, as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and, 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 6% shall be charged against the delinquency.

GENERAL COMMENTS (CONTINUED)

Collection of Interest on Delinquent Taxes and Assessments (continued)

2. Effective January 6, 2020 there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 7, 2021.

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

<u>Year</u>	<u>Number of Liens</u>
2021	4
2020	6
2019	6

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 tax-paying 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.

The result of the test which was made as of December 31, 2021 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

Municipal Court

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Judge, Borough Clerk and Division of Local Government Services. We noted however, that there are internal control problems that are throughout the State of New Jersey Municipal Court System caused by the implementation of the Automated Traffic System and the Automated Complaint System.

OTHER COMMENTS

Segregation of Duties

1. The Borough does not maintain an adequate segregation of duties within the Treasury Department, Tax Collector Department and the Water and Sewer Operating Departments. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The Chief Financial Officer controls disbursements of funds, has control of checks, has control of signature stamps and reconciles bank statements. This situation occurred because of the limited number of employees qualified to perform other accounting functions. The Borough also does not have adequate controls within the software system.

Management's Response:

The Borough has been made aware of this lack on internal control and will consider strengthening Internal Control within reason of costs and benefits derived and also budget constraints.

RECOMMENDATIONS

1. That the Borough consider strengthening Internal Controls.

Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations and corrective action was taken on all with the exception of the following which is included in this year's recommendations:

1. That the Borough consider strengthening Internal Controls.

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

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

Very truly yours,

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413

Wielkotz & Company, LLC
Certified Public Accountants