



Clark Township

NEW JERSEY

County of Union, New Jersey

FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

YEARS ENDED DECEMBER 31, 2023 AND 2022

**Township of Clark
County of Union, New Jersey**

Financial Statements and Supplementary Schedules

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40A:11-4

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INDEPENDENT AUDITORS' REPORT

**Honorable Mayor and Members
of the Township Council
Township of Clark
County of Union, New Jersey**

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the financial statements-regulatory basis of the Township of Clark (the "Township"), County of Union, State of New Jersey, which comprise the comparative balance sheets-regulatory basis of the various funds and account group, as of December 31, 2023 and 2022, the related comparative statements of operations and changes in fund balances-regulatory basis and the related notes to the financial statements for the years then ended and the statement of fund balance-regulatory basis, the statements of revenues-regulatory basis and the statements of expenditures-regulatory basis of the various funds for the year ended December 31, 2023, which collectively comprise the Township's regulatory basis financial statements as listed in the accompanying table of contents

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the comparative balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2023 and 2022, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2023 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2023 and 2022 or the results of its operations and changes in fund balances for the years then ended.

**Honorable Mayor and Members
of the Township Council
Township of Clark
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Basis for Opinions

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of their financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Township'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 date shortly thereafter.

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

**Honorable Mayor and Members
of the Township Council
Township of Clark
County of Union, New Jersey**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Report on Other Regulatory Requirements

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's regulatory basis financial statements. The accompanying supplementary information, identified in the table of contents as Schedules 1-A through 9-E and the comments section are presented for purposes of additional analysis as required by the Division and are not a required part of the regulatory basis financial statements of the Township. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis 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 is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

**Honorable Mayor and Members
of the Township Council
Township of Clark
County of Union, New Jersey**

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 14, 2024

Scott A Clelland

Scott A. Clelland, CPA
Registered Municipal Accountant, No. 455



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

INDEPENDENT AUDITORS' REPORT

**Honorable Mayor and Members
of the Township Council
Township of Clark
County of Union, New Jersey**

We have audited, in accordance with the 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 (the "Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Township of Clark (the "Township"), County of Union, New Jersey as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the regulatory basis financial statements and have issued our report thereon dated June 14, 2024, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable

**Honorable Mayor and Members
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Township of Clark
County of Union, New Jersey**

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possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 14, 2024

Scott A. Clelland

Scott A. Clelland, CPA
Registered Municipal Accountant, No. 455

Current and Grant Fund

Exhibits

Township of Clark
County of Union, New Jersey
Current and Grant Fund

Comparative Balance Sheets - Regulatory Basis

		December 31,	
	Reference	2023	2022
Assets and deferred charges			
Current Fund:			
Cash	1-A	\$ 9,232,320.32	\$ 7,915,766.78
Due from State of New Jersey - Senior Citizens and Veterans	4-A	861.64	2,403.42
Receivables with full reserves:			
Delinquent property taxes receivable	3-A	449,982.05	434,851.18
Foreclosed property	5-A	5,900.00	9,800.00
Revenue accounts receivable	6-A	6,173.56	8,438.58
	A	462,055.61	453,089.76
Deferred Charges:			
Special emergency authorization	18-A	200,000.00	300,000.00
Total Current Fund		9,895,237.57	8,671,259.96
Grant Fund:			
Cash	2-A	1,034,155.73	1,162,656.57
Interfund receivable	2-A	186,553.45	
Grants receivable	15-A	265,971.99	131,342.00
Total Grant Fund		1,486,681.17	1,293,998.57
		\$ 11,381,918.74	\$ 9,965,258.53

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current and Grant Fund

Comparative Balance Sheets - Regulatory Basis

		December 31,	
	Reference	2023	2022
Liabilities, reserves and fund balance			
Current Fund:			
Liabilities:			
Appropriation reserves	A-3, 8-A	\$ 1,927,201.47	\$ 1,831,348.56
Encumbrances payable	A-3, 8-A	211,504.29	89,494.69
Prepaid taxes	10-A	328,191.20	347,604.32
Tax overpayments			6,860.40
Interfund payable	2-A	186,553.45	
Reserve for prepaid fees	8-A	88.80	88.80
Reserve for revaluation	20-A	82,905.48	82,905.48
Special emergency note payable	19-A	200,000.00	300,000.00
Reserve for tax appeals	12-A	1,094,659.16	1,098,147.51
		4,031,103.85	3,756,449.76
Reserve for receivables	A	462,055.61	453,089.76
Fund balance	A-1	5,402,078.11	4,461,720.44
Total Current Fund		9,895,237.57	8,671,259.96
Grant Fund:			
Reserve for appropriated grants	16-A	1,080,339.87	1,239,954.92
Encumbrances payable	16-A, 2-A	216,600.35	51,287.53
Reserve for unappropriated grants	17-A	189,740.95	2,756.12
Total Grant Fund		1,486,681.17	1,293,998.57
		\$ 11,381,918.74	\$ 9,965,258.53

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Comparative Statements of Operations and Changes in Fund Balances - Regulatory Basis

	<u>Reference</u>	Years ended December 31,	
		2023	2022
Revenues and other income realized:			
Fund balance utilized	A-2	\$ 3,025,000.00	\$ 3,025,000.00
Miscellaneous revenue anticipated	A-2	5,130,281.48	6,525,042.12
Receipts from delinquent taxes	A-2	433,918.95	522,720.41
Receipts from current taxes	A-2	70,606,951.82	67,696,844.57
Non-budget revenues	A-2	602,716.83	329,620.12
Other credits to income:			
Unexpended balance of appropriation reserves	8-A	1,485,960.00	1,378,426.37
Refund of prior year expenditures	1-A	2,332.74	
Total revenues and other income		<u>81,287,161.82</u>	<u>79,477,653.59</u>
Expenditures:			
Budget expenditures	A-3	27,563,329.02	27,678,531.55
County taxes	3-A, 14-A	13,879,569.89	14,210,443.86
County share of added and omitted taxes	3-A, 13-A	84,512.24	35,671.13
Local district school tax	3-A, 9-A	<u>35,794,393.00</u>	<u>35,310,752.00</u>
Total expenditures		<u>77,321,804.15</u>	<u>77,235,398.54</u>
Statutory excess to fund balance		3,965,357.67	2,242,255.05
Fund balance:			
Balance, January 1	A	<u>4,461,720.44</u>	<u>5,244,465.39</u>
		8,427,078.11	7,486,720.44
Decreased by:			
Utilized as anticipated revenue	A-1	<u>3,025,000.00</u>	<u>3,025,000.00</u>
Balance, December 31	A	<u>\$ 5,402,078.11</u>	<u>\$ 4,461,720.44</u>

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Revenues - Regulatory Basis

Year ended December 31, 2023

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus anticipated	A-1	\$ 3,025,000.00	\$ 3,025,000.00	\$ -
Miscellaneous revenues				
Licenses:				
Alcoholic beverages	6-A	29,000.00	29,630.80	630.80
Other	6-A	7,300.00	11,866.00	4,566.00
Fees and permits	6-A	175,200.00	199,172.00	23,972.00
Fines and costs:				
Municipal Court	6-A	95,000.00	96,192.55	1,192.55
Interest and costs on taxes	6-A	100,000.00	115,251.13	15,251.13
Interest on investments and deposits	6-A	50,000.00	351,691.00	301,691.00
Cable TV Franchise fee	6-A	70,000.00	76,434.00	6,434.00
Tower Rental	6-A	25,000.00	660,030.92	635,030.92
Hotel Tax	6-A	100,000.00	138,428.62	38,428.62
Energy receipts tax (P.L. 1977, Chapters 162 and 167)	6-A	1,788,527.00	1,800,889.94	12,362.94
Uniform Construction Code	6-A	600,000.00	527,474.00	(72,526.00)
Board of Education - Trash Removal	6-A	35,038.00	35,037.66	(0.34)
Mountainside Boro - Broadcasting	6-A	15,000.00	20,000.00	5,000.00
Municipal Alliance Grant	15-A	13,194.00	13,194.00	
Recycling Tonnage Grant	15-A	16,604.17	16,604.17	
Body Armor	15-A	2,756.12	2,756.12	
Clean Communities Grant	15-A	35,069.91	35,069.91	
Union County Infrastructure Grant	15-A	42,500.00	42,500.00	
Union County Kids Recreation	15-A	24,072.00	24,072.00	
DMHAS Youth Grant	15-A	3,646.00	3,646.00	
Union County Greening Grant	15-A	6,300.00	6,300.00	
Opioid Grant	15-A	14,492.69	14,492.69	
Stormwater Assistance Grant	15-A	15,000.00	15,000.00	
NJACCHO Health Grant	15-A	118,088.00	118,088.00	
NJ Lead Grant	15-A	24,960.00	24,960.00	
Sewer Utility Surplus	6-A	700,000.00	700,000.00	
Uniform Fire Safety Act	6-A	40,000.00	51,499.97	11,499.97
Total miscellaneous revenues	A-1	4,146,747.89	5,130,281.48	983,533.59
Receipts from delinquent taxes	A-1	400,000.00	433,918.95	33,918.95
Property tax for support of municipal and library budget appropriations:				
Local tax for municipal purposes		19,973,955.00	20,830,848.69	856,893.69
Local tax for library purposes		1,117,628.00	1,117,628.00	
Total property taxes for municipal purposes and library	A-2, 3-A	21,091,583.00	21,948,476.69	856,893.69
Non-budget revenues				
	A-1, A-2		602,716.83	602,716.83
	Below	\$ 28,663,330.89	\$ 31,140,393.95	\$ 2,477,063.06
Budget revenue				
	A-3	\$ 28,370,167.59		
Special items of revenue (N.J.S.A. 40A:4-87)	A-3	293,163.30		
	Above	\$ 28,663,330.89		

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Revenues - Regulatory Basis

Year ended December 31, 2023

	<u>Reference</u>		
Analysis of realized revenues:			
Allocation of current tax collections:			
Revenue from collections	3-A	\$	70,606,951.82
Less: Reserve for tax appeals pending	12-A		<u>-</u>
Current Taxes Realized	A-1		70,606,951.82
Allocated to:			
School and county taxes	3-A		<u>49,758,475.13</u>
			20,848,476.69
Add: Reserve for uncollected taxes	A-3		<u>1,100,000.00</u>
Amount for support of municipal budget appropriations	A-2	\$	<u><u>21,948,476.69</u></u>
Miscellaneous revenue not anticipated:			
Clothing Bins		\$	400.00
Administrative Fee Senior Citizens & Vets			2,175.71
Rental of Building			1,000.00
Scrap Metal			4,572.49
Police Off Duty			163,626.12
Unclaimed Property			9,586.86
Reimbursement of Prior Expenses			4,900.80
CDBG Prior Year			14,574.12
UC Environmental			21,762.00
PILOTs			376,646.82
Tax Collector Fees			<u>3,471.91</u>
Total	A-1, A-2, 1-A	\$	<u><u>602,716.83</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures - Regulatory Basis

Year ended December 31, 2023

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations within "CAPS"					
General Government:					
Department of Administration					
Business Administration					
Salaries and wages	\$ 239,355.00	\$ 239,355.00	\$ 238,364.01	\$ 990.99	
Other expenses	118,000.00	123,000.00	103,169.85	19,830.15	
Communications					
Salaries and wages	162,955.00	162,955.00	114,435.87	48,519.13	
Other expenses	69,825.00	55,825.00	37,821.50	18,003.50	
Mayor's Office					
Salaries and wages	82,770.00	82,770.00	82,769.12	0.88	
Other expenses	7,500.00	7,500.00	1,969.25	5,530.75	
Township Council					
Salaries and wages	57,210.00	57,210.00	57,210.00		
Other expenses	25,000.00	25,000.00	3,014.84	21,985.16	
Township Clerk					
Salaries and wages	251,142.00	252,142.00	251,384.26	757.74	
Other expenses	28,100.00	28,100.00	21,471.74	6,628.26	
Elections					
Salaries and wages	3,000.00	3,000.00	842.26	2,157.74	
Other expenses	25,000.00	25,000.00	19,351.74	5,648.26	
Department of Revenue and Finance					
Directors Office					
Salaries and wages	228,699.00	205,699.00	168,699.12	36,999.88	
Other expenses	144,000.00	144,000.00	101,292.43	42,707.57	
Division of Revenue					
Collection of Taxes					
Salaries and wages	86,000.00	86,000.00	85,000.08	999.92	
Other expenses	15,000.00	17,000.00	13,224.56	3,775.44	
Department of Assessment					
Assessment of taxes					
Salaries and wages	95,746.00	95,746.00	87,018.59	8,727.41	
Other expenses	85,200.00	27,200.00	23,837.78	3,362.22	
Legal Expenses					
Other expenses	310,000.00	360,000.00	354,124.67	5,875.33	
Department of Engineering					
Other expenses	150,000.00	150,000.00	103,237.39	46,762.61	
Planning Board - Municipal Land Use Law (NJSA 40:550-1)					
Salaries and wages	7,705.00	7,705.00	6,534.96	1,170.04	
Other expenses	36,000.00	36,000.00	22,364.19	13,635.81	
Zoning Board					
Salaries and wages	7,705.00	7,705.00	6,504.00	1,201.00	
Other expenses	6,300.00	7,300.00	5,446.84	1,853.16	
Group Insurance for Employees					
Group Insurance for Employees					
Group Insurance for Employees	796,950.00	746,950.00	636,213.00	110,737.00	
Disability Insurance	65,000.00	65,000.00	31,240.71	33,759.29	
Employee Group Health	3,626,480.00	3,626,480.00	3,510,870.04	115,609.96	
Life Insurance	12,000.00	12,000.00	5,980.74	6,019.26	
Health Benefit Waiver	40,000.00	40,000.00	35,817.00	4,183.00	
Police					
Salaries and wages	5,262,011.00	5,262,011.00	5,093,572.01	168,438.99	
Other expenses	243,725.00	259,725.00	228,972.43	30,752.57	
Public Safety					
Salaries and wages	2,000.00	2,000.00	2,000.00		
Emergency management services					
Salaries and wages	21,375.00	21,375.00	21,375.00		
Other expenses	15,600.00	15,600.00	11,747.11	3,852.89	
First Aid Organization - Contribution	75,000.00	75,000.00	75,000.00		

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures - Regulatory Basis

Year ended December 31, 2023

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations within "CAPS"					
(continued)					
Fire					
Salaries and wages	\$ 115,489.00	\$ 115,489.00	\$ 80,017.55	\$ 35,471.45	
Other expenses	175,108.00	175,108.00	172,985.91	2,122.09	
Fire Hydrant Services	300,000.00	300,000.00	237,569.28	62,430.72	
Uniform Fire Safety Act					
Fire Official					
Salaries and wages	112,102.00	112,102.00	112,102.00		
Other expenses	25,500.00	25,500.00	22,421.20	3,078.80	
Bureau of Roads, Road Repair and Maintenance					
Salaries and wages	868,794.00	838,794.00	649,769.52	189,024.48	
Other expenses	418,900.00	418,900.00	334,554.62	84,345.38	
Building and Grounds					
Salaries and wages	164,581.00	164,581.00	158,874.72	5,706.28	
Other expenses	200,000.00	300,000.00	192,348.76	107,651.24	
Division of Health and Welfare					
Bureau of Health					
Salaries and wages	192,575.00	192,575.00	154,147.56	38,427.44	
Other expenses	21,700.00	21,700.00	11,346.79	10,353.21	
Department of Senior Citizens Affairs					
Salaries and wages	61,010.00	61,010.00	26,894.72	34,115.28	
Other expenses	23,000.00	23,000.00	21,672.56	1,327.44	
Animal Control regulation					
Other expenses	26,000.00	26,000.00	26,000.00		
Services of visiting nurses - contractual	7,200.00	7,200.00	405.00	6,795.00	
Department of Recreation					
Salaries and wages	452,410.00	452,410.00	404,822.04	47,587.96	
Other expenses	55,500.00	55,500.00	50,744.65	4,755.35	
Celebration of Public Events					
Other expenses	75,000.00	75,000.00	65,637.96	9,362.04	
Street Lighting	300,000.00	300,000.00	297,901.06	2,098.94	
Municipal Court					
Salaries and wages	264,797.00	264,797.00	260,796.84	4,000.16	
Other expenses	22,700.00	22,700.00	21,287.20	1,412.80	
Division of Code Enforcement					
Construction Code Official					
Salaries and wages	433,415.00	433,415.00	426,831.60	6,583.40	
Other expenses	268,000.00	268,000.00	144,925.90	123,074.10	
Unclassified					
Shade Tree	10,000.00	10,000.00	10,000.00		
Grass Collection	40,000.00	40,000.00	40,000.00		
Leaf Collection	70,000.00	70,000.00	27,467.00	42,533.00	
Recycling	334,028.00	334,028.00	236,033.01	97,994.99	
Clean Up	44,000.00	44,000.00	38,918.96	5,081.04	
Municipal Services Act	50,000.00	50,000.00	5,972.04	44,027.96	
Environmental commission					
Other expenses	100.00	100.00		100.00	
Utilities	185,000.00	185,000.00	152,650.67	32,349.33	
Telephone - All Departments	50,000.00	50,000.00	35,717.81	14,282.19	
Gas - Diesel	200,000.00	200,000.00	139,358.42	60,641.58	
Reserve for Compensated Absences	60,000.00	60,000.00	60,000.00		
Total operations within "CAPS"	18,029,262.00	18,029,262.00	16,182,052.44	1,847,209.56	

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures - Regulatory Basis

Year ended December 31, 2023

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations within "CAPS"					
(continued)					
Deferred charges and statutory expenditures-municipal within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	\$ 655,653.00	\$ 655,653.00	\$ 655,653.00		
Social security system (O.A.S.I.)	750,000.00	750,000.00	709,353.54	\$ 40,646.46	
Police and Firemen's Retirement System of NJ	1,412,934.00	1,412,934.00	1,412,934.00		
Unemployment Compensation Insurance	20,000.00	20,000.00	20,000.00		
Defined Contribution Retirement Plan	10,000.00	10,000.00	10,000.00		
Total deferred charges and statutory expenditures - municipal within "CAPS"	<u>2,848,587.00</u>	<u>2,848,587.00</u>	<u>2,807,940.54</u>	<u>40,646.46</u>	
Total general appropriations for municipal purposes within "CAPS"	<u>20,877,849.00</u>	<u>20,877,849.00</u>	<u>18,989,992.98</u>	<u>1,887,856.02</u>	
Operations - excluded from "CAPS"					
Maintenance of Free Public Library	1,117,628.00	1,117,628.00	1,117,628.00		
Maintenance of 911					
Salaries and wages	738,186.00	738,186.00	738,186.00		
Other expenses	102,600.00	102,600.00	63,254.83	39,345.17	
Length of Service Award Program (L.O.S.A.P.)	1,000.00	1,000.00	1,000.00		
Interlocal Municipal Service Agreements					
Clark Board of Ed. - Trash Removal	35,038.00	35,038.00	35,037.72	0.28	
Mountainside Boro - Broadcasting	15,000.00	15,000.00	15,000.00		
Split Expenses					
Employee Group Health	196,520.00	196,520.00	196,520.00		
Recycling	240,972.00	240,972.00	240,972.00		
Public Employees' Retirement System	44,331.00	44,331.00	44,331.00		
Police and Firemen's Retirement System of NJ	33,889.00	33,889.00	33,889.00		
Group Insurance - Insurance and Bonding	108,050.00	108,050.00	108,050.00		
Public and Private Programs Offset by revenues:					
Body Armor	2,756.12	2,756.12	2,756.12		
Municipal Alliance Grant-County	11,973.00	13,194.00	13,194.00		
Recycling Tonnage Grant		16,604.17	16,604.17		
Clean Communities		35,069.91	35,069.91		
Union County Infrastructure		42,500.00	42,500.00		
Greening Union County		6,300.00	6,300.00		
Union County Kids Recreation		24,072.00	24,072.00		
DMHAS Youth Grant	3,403.00	3,646.00	3,646.00		
Stormwater Grant		14,492.69	14,492.69		
Opioid Grant	5,387.47	15,000.00	15,000.00		
NJ Lead Grant		24,960.00	24,960.00		
NJACCHO Health Grant		118,088.00	118,088.00		
Total operations - excluded from "CAPS"	<u>2,656,733.59</u>	<u>2,949,896.89</u>	<u>2,910,551.44</u>	<u>39,345.45</u>	
Capital improvements excluded from "CAPS"					
Capital Improvement Fund	<u>275,000.00</u>	<u>275,000.00</u>	<u>275,000.00</u>		
Total Capital Improvements Excluded From "CAPS"	<u>275,000.00</u>	<u>275,000.00</u>	<u>275,000.00</u>		
Municipal Debt Service - Excluded from "CAPS"					
Payment of bond principal	2,150,000.00	2,150,000.00	2,150,000.00		
Payment of bond anticipation notes and capital notes	365,000.00	365,000.00	365,000.00		
Interest on bonds	437,500.00	437,500.00	437,500.00		
Interest on notes	406,865.00	406,865.00	406,863.13		\$ 1.87
Total municipal debt service - excluded from "CAPS"	<u>3,359,365.00</u>	<u>3,359,365.00</u>	<u>3,359,363.13</u>		<u>1.87</u>

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Current Fund

Statement of Expenditures - Regulatory Basis

Year ended December 31, 2023

Appropriations	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Cancelled
Operations - excluded from "CAPS" (Continued)					
Deferred Charges:					
Special Emergency	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00		
Deferred Charges to Future Taxation - Unfunded Library HVAC	1,220.00	1,220.00	1,220.00		
Total deferred charges	101,220.00	101,220.00	101,220.00		
Total general appropriations for municipal purposes excluded from "CAPS"	6,392,318.59	6,685,481.89	6,646,134.57	\$ 39,345.45	\$ 1.87
Subtotal general appropriations for municipal purposes	27,270,167.59	27,563,330.89	25,636,127.55	1,927,201.47	1.87
Reserve for uncollected taxes	1,100,000.00	1,100,000.00	1,100,000.00		
Total general appropriations	<u>\$ 28,370,167.59</u>	<u>\$ 28,663,330.89</u>	<u>\$ 26,736,127.55</u>	<u>\$ 1,927,201.47</u>	<u>\$ 1.87</u>
	Below	Below	Below	A	A-1

Analysis of budget after modification

2023 appropriations
Special items of revenue (N.J.S.A. 40A:4-87)

Reference	
A-2, Above	\$ 28,370,167.59
A-2	293,163.30
Above	<u>\$ 28,663,330.89</u>

Analysis of paid or charged

Reserve for uncollected taxes
Reserve for grant expenditures - appropriated
Deferred Charges
Disbursed
Encumbered

A-2, Above	\$ 1,100,000.00
16-A	316,682.89
18-A	100,000.00
1-A	25,007,940.37
A	211,504.29
Above	<u>\$ 26,736,127.55</u>

Trust Fund

Exhibit

Township of Clark
County of Union, New Jersey
Trust Fund

Comparative Balance Sheets - Regulatory Basis

		December 31,	
Reference	2023	2022	
Assets			
Animal Control Fund:			
Cash	1-B	\$ 11,721.04	\$ 12,528.35
Total Animal Control Fund		11,721.04	12,528.35
Other Trust Funds:			
Cash	1-B	6,095,904.68	5,367,951.95
Total Other Trust Funds		6,095,904.68	5,367,951.95
		\$ 6,107,625.72	\$ 5,380,480.30
Liabilities and Reserves			
Animal Control Fund:			
Reserve for expenditures	2-B	\$ 11,721.04	\$ 12,527.15
Due to State	3-B		1.20
Total Animal Control Fund		11,721.04	12,528.35
Other Trust Funds:			
Reserve for various trust deposits	4-B	6,095,904.68	5,367,951.95
Total Other Trust Funds		6,095,904.68	5,367,951.95
		\$ 6,107,625.72	\$ 5,380,480.30

See accompanying notes to financial statements.

General Capital Fund

Exhibits

Township of Clark
County of Union, New Jersey
General Capital Fund

Comparative Balance Sheets - Regulatory Basis

	Reference	December 31	
		2023	2022
Assets			
Cash	1-C, 2-C	\$ 2,010,831.35	\$ 3,334,078.17
State transportation aid receivable	10-C	84,247.50	110,750.00
Deferred charges to future taxation:			
Funded	3-C	16,200,000.00	18,350,000.00
Unfunded	4-C	11,657,200.00	12,529,170.00
		\$ 29,952,278.85	\$ 34,323,998.17
Liabilities, reserves and fund balance			
General serial bonds	8-C	\$ 16,200,000.00	\$ 18,350,000.00
Bond anticipation notes	7-C	11,605,000.00	12,365,000.00
Improvement authorizations - funded	6-C	492,146.43	1,233,521.91
Improvement authorizations - unfunded	6-C	534,824.15	324,090.78
Encumbrances payable	9-C	12,500.38	1,330,058.41
Capital improvement fund	5-C	580,773.50	305,773.50
Reserve for debt service	2-C	2,433.06	2,433.06
Reserve for grants	C		110,750.00
Reserve for Board of Education Contribution	1-C	2,027.86	4,388.00
Fund balance	C-1	522,573.47	297,982.51
		\$ 29,952,278.85	\$ 34,323,998.17

There were bonds and notes authorized but not issued on December 31, 2023 and 2022 in the amounts of \$52,200.00 and \$164,170.00, respectively (Schedule 11-C).

See accompanying notes to financial statements.

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Statement of Fund Balance - Regulatory Basis

Year ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	C	\$	297,982.51
Increased by:			
Contribution Received - Soccer Club	1-C		40,000.00
Cancellation of Improvement Authorizations	6-C		136,308.51
Premium on Notes issued	1-C		<u>48,282.45</u>
Balance, December 31, 2023	C	<u>\$</u>	<u>522,573.47</u>

See accompanying notes to financial statements.

Swim Pool Utility Fund

Exhibits

Township of Clark
County of Union, New Jersey
Swim Pool Utility Fund

Comparative Balance Sheets - Regulatory Basis

	Reference	December 31	
		2023	2022
Assets			
Operating Fund:			
Cash	1-D	\$ 186,718.21	\$ 208,455.23
Total Operating Fund		186,718.21	208,455.23
Capital Fund:			
Fixed capital	3-D	1,957,664.57	1,913,139.99
Total Capital Fund		1,957,664.57	1,913,139.99
		\$ 2,144,382.78	\$ 2,121,595.22
Liabilities, reserves and fund balance			
Operating Fund:			
Liabilities:			
Encumbrance payable	D-3, 2-D	\$ 18,263.43	\$ 18,495.26
Appropriation reserves	D-3, 2-D	20,476.95	52,355.45
		38,740.38	70,850.71
Fund balance	D-1	147,977.83	137,604.52
Total Operating Fund		186,718.21	208,455.23
Capital Fund:			
Reserve for amortization	4-D	1,957,664.57	1,913,139.99
Total Capital Fund		1,957,664.57	1,913,139.99
		\$ 2,144,382.78	\$ 2,121,595.22

There were no bonds and notes authorized but not issued on December 31, 2023 and 2022.

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Swim Pool Utility Fund

Comparative Statements of Operations and Changes in Fund Balances - Regulatory Basis

	Reference	Years ended December 31	
		2023	2022
Revenues and other income realized:			
Fund balance utilized	D-2	\$ 46,715.00	\$ 46,715.00
Membership fees	D-2	313,775.00	344,011.00
Miscellaneous revenue	D-2	71,442.86	72,046.93
Other credits to income:			
Unexpended balance of appropriation reserves	2-D	52,355.45	34,784.78
Total revenues and other income		<u>484,288.31</u>	<u>497,557.71</u>
Expenditures:			
Operating	D-3	367,700.00	331,900.00
Capital improvements	D-3	45,000.00	50,000.00
Deferred charges and statutory expenditures	D-3	14,500.00	22,242.00
Total expenditures		<u>427,200.00</u>	<u>404,142.00</u>
Statutory excess to fund balance		57,088.31	93,415.71
Fund balance:			
Balance, January 1	D	<u>137,604.52</u>	<u>90,903.81</u>
		194,692.83	184,319.52
Decreased by utilized as anticipated revenue	D-2	<u>46,715.00</u>	<u>46,715.00</u>
Balance, December 31	D	<u>\$ 147,977.83</u>	<u>\$ 137,604.52</u>

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Swim Pool Utility Fund

Statement of Revenues-Operating Fund - Regulatory Basis

Year ended December 31, 2023

	Reference	Budget Revenue	Realized	(Deficiency) Excess
Fund balance utilized	D-1	\$ 46,715.00	\$ 46,715.00	
Membership fees	D-1, 1-D	325,000.00	313,775.00	\$ (11,225.00)
Miscellaneous	D-1, 1-D	55,485.00	71,442.86	15,957.86
	D-3	<u>\$ 427,200.00</u>	<u>\$ 431,932.86</u>	<u>\$ 4,732.86</u>

See accompanying notes to financial statements.

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Fund

Statement of Expenditures-Operating Fund - Regulatory Basis

Year ended December 31, 2023

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and wages	\$ 150,000.00	\$ 150,000.00	\$ 139,543.50	\$ 10,456.50
Other expenses	217,700.00	217,700.00	208,154.97	9,545.03
Capital Improvements:				
Capital outlay	45,000.00	45,000.00	44,524.58	475.42
Deferred charges and statutory expenditures:				
Social security system (O.A.S.I.)	12,500.00	12,500.00	12,500.00	
Unemployment compensation insurance	2,000.00	2,000.00	2,000.00	
	<u>\$ 427,200.00</u>	<u>\$ 427,200.00</u>	<u>\$ 406,723.05</u>	<u>\$ 20,476.95</u>
Reference	D-2	D-2	Below	D
Encumbrances	D, D-1		\$ 18,263.43	
Cash Disbursements	1-D		<u>388,459.62</u>	
	Above		<u>\$ 406,723.05</u>	

Sewer Utility Fund

Exhibits

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Comparative Balance Sheets - Regulatory Basis

		December 31,	
	Reference	2023	2022
Assets			
Operating Fund:			
Cash	1-E	\$ 2,384,128.69	\$ 2,384,650.24
Consumer accounts receivable	2-E	123,619.64	135,133.21
Total Operating Fund		2,507,748.33	2,519,783.45
Capital Fund:			
Cash	1-E	1,640,890.97	1,490,890.97
Fixed capital	6-E	1,537,628.76	1,537,628.76
Total Capital Fund		3,178,519.73	3,028,519.73
		\$ 5,686,268.06	\$ 5,548,303.18
Liabilities, reserves and fund balance			
Operating Fund:			
Liabilities:			
Appropriation reserves	E-3, 3-E	\$ 84,405.02	\$ 156,926.60
Encumbrance payable	E-3, 3-E	741.00	
Sewer fee overpayments	4-E	491.37	1,846.57
		85,637.39	158,773.17
Reserve for receivables	E	123,619.64	135,133.21
Fund balance	E-1	2,298,491.30	2,225,877.07
Total Operating Fund		2,507,748.33	2,519,783.45
Capital Fund:			
Reserve for capital outlay	5-E	1,640,890.97	1,490,890.97
Reserve for amortization	7-E	1,537,628.76	1,537,628.76
Total Capital Fund		3,178,519.73	3,028,519.73
		\$ 5,686,268.06	\$ 5,548,303.18

There were no bonds and notes authorized but not issued at December 31, 2023 and 2022.

See accompanying notes to financial statements.

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Comparative Statements of Operations and Changes in Fund Balances - Regulatory Basis

	Reference	Years ended December 31	
		2023	2022
Revenues and other income realized:			
Fund Balance Utilized	E-2	\$ 500,000.00	\$ 1,000,000.00
Sewer Fees	E-2	3,906,115.02	3,740,533.75
Miscellaneous revenue	E-2	85,854.61	42,932.68
Other credits to income:			
Unexpended balance of appropriation reserves	3-E	<u>156,926.60</u>	<u>26,162.99</u>
Total revenues and other income		4,648,896.23	4,809,629.42
Expenditures:			
Operating	E-3	3,226,282.00	3,195,583.00
Capital Outlay	E-3	150,000.00	350,000.00
Debt Service			<u>100,417.00</u>
Total expenditures		<u>3,376,282.00</u>	<u>3,646,000.00</u>
Statutory excess to fund balance		1,272,614.23	1,163,629.42
Fund balance:			
Balance, January 1	E	<u>2,225,877.07</u>	<u>2,762,247.65</u>
		3,498,491.30	3,925,877.07
Decreased by:			
Utilized as anticipated revenue	E-2	500,000.00	1,000,000.00
Appropriated in Current Fund Budget	1-E	<u>700,000.00</u>	<u>700,000.00</u>
Balance, December 31	E	<u>\$ 2,298,491.30</u>	<u>\$ 2,225,877.07</u>

See accompanying notes to financial statements.

Township of Clark
 County of Union, New Jersey
 Sewer Utility Fund

Statement of Revenues - Operating Fund - Regulatory Basis

Year ended December 31, 2023

	Reference	Budgeted Revenue	Realized	Excess
Fund Balance Utilized	E-1	\$ 500,000.00	\$ 500,000.00	
Sewer fees	E-1,1-E,2-E	2,876,282.00	3,906,115.02	\$ 1,029,833.02
Miscellaneous	E-1,1-E		85,854.61	85,854.61
	E-3	<u>\$ 3,376,282.00</u>	<u>\$ 4,491,969.63</u>	<u>\$ 1,115,687.63</u>

See accompanying notes to financial statements.

Township of Clark
 County of Union, New Jersey
 Sewer Utility Fund

Statement of Expenditures - Operating Fund - Regulatory Basis

Year ended December 31, 2023

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 340,000.00	\$ 340,000.00	\$ 340,000.00	
Other expenses:				
Rahway Valley Sewer Authority	2,530,699.00	2,530,699.00	2,530,599.00	\$ 100.00
Miscellaneous	355,583.00	355,583.00	271,277.98	84,305.02
Capital Outlay	150,000.00	150,000.00	150,000.00	
	<u>\$ 3,376,282.00</u>	<u>\$ 3,376,282.00</u>	<u>\$ 3,291,876.98</u>	<u>\$ 84,405.02</u>
Reference	E-2	E-2	Below	E

Analysis of paid or charged:

Cash disbursed	1-E	\$ 3,291,135.98
Encumbrances	E	<u>741.00</u>
	Above	<u>\$ 3,291,876.98</u>

General Fixed Assets Account Group

Exhibit

Township of Clark
County of Union, New Jersey
General Fixed Assets Account Group

Comparative Balance Sheets - Regulatory Basis
December 31, 2023 and 2022

	December 31,	
	2023	2022
Fixed Assets		
Land and Land Improvements	\$ 5,457,805.00	\$ 5,457,805.00
Construction in Progress	11,992,617.00	13,015,084.00
Buildings and Building Improvements	7,415,693.00	7,326,076.00
Machinery and Equipment	10,293,921.00	9,846,371.00
Total General Fixed Assets	\$ 35,160,036.00	\$ 35,645,336.00
 Reserve		
Investment in General Fixed Assets	\$ 35,160,036.00	\$ 35,645,336.00

See accompanying notes to financial statements.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Summary of Significant Accounting Policies

Reporting Entity

The Governmental Accounting Standards Board ("GASB") has established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") requires the financial statements of the Township of Clark ("Township") to be reported separately.

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

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the municipal library or the local school district, in as much as, their activities are administered by separate boards.

Description of Funds

The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification recognizes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States ("GAAP").

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

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

Trust Fund – records the receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was established.

General Capital Fund – records the receipt and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired through the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Summary of Significant Accounting Policies – (Continued)

Swim Pool Utility Operating and Capital Funds – account for the operation and acquisition of capital facilities of the municipally-owned swimming pool.

Sewer Utility Operating and Capital Funds – account for the operation and acquisition of capital facilities of the municipally-owned sewer utility.

General Fixed Assets Account Group – utilized to account for land, buildings, machinery, equipment and vehicles that have been acquired by other governmental funds, other than utility funds. All fixed assets, except for donated fixed assets, are valued at historical cost. Donated fixed assets are recorded at acquisition value on the date of acquisition.

Measurement Focus and Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from GAAP applicable to local governmental units. The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing the transactions or events for recognition in the financial statements.

All governmental, proprietary and trust funds utilize the “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of period. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

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

Expenditures – are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the encumbrance accounting system. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory appropriation reserve balance. GAAP requires

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Summary of Significant Accounting Policies – (Continued)

expenditures in the Current Fund 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.

Appropriation Reserves – unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis. Appropriation reserves are not established under GAAP.

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

Deferred Charges – the basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for deferred charges on the Current Fund, Swim Pool Utility Fund or Sewer Utility Fund balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

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 Current Fund and the remaining obligations be recorded as a long-term obligation.

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

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Summary of Significant Accounting Policies – (Continued)

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

Interfunds – the advances from the Current Fund are reported as interfund receivables 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 of Supplies – the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP does not require the establishment of an offsetting reserve.

Fixed Capital – Swim Pool and Sewer Utility – the property and equipment purchased by the Swim Pool Utility Fund and Sewer Utility Fund are recorded in its capital account at cost and is adjusted for dispositions and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheet of the Swim Pool Utility and Sewer Utility Capital Funds represent the aggregate charges (capital outlay and debt service) to the operating budget and reserve for capital outlay for the costs of the acquisitions of property and equipment and proceeds from grants-in-aid. The Swim Pool Utility and Sewer Utility do not record depreciation of property and equipment.

GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by the Swim Pool Utility and Sewer Utility Fund.

Fixed Assets – Current Fund and General Capital Fund – the property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase and are capitalized in the General Fixed Assets Account Group.

Insurance Claims – Insurance claims incurred are not recorded as a liability but would be recorded as a liability under GAAP.

Length of Service Award Program (LOSAP) – the Division does not require the LOSAP to be included as part of the balance sheet of the Trust Fund in the regulatory basis financial statements of the Township. GAAP requires the inclusion of such information to be recorded in the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Summary of Significant Accounting Policies – (Continued)

of these amounts. Since the Township does not follow generally accepted accounting principles, the GASBs did not result in a change in the Township's assets, liabilities and contribution requirements. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30- 6.1(c)2, municipalities may use the most recent available audited GASB Statement No. 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of June 30, 2023, the 2022 Public Employees' Retirement System Report and the 2022 Police and Firemen's Retirement System Report were the most recent reports available and therefore these years were disclosed accordingly. Refer to Note 7 for these disclosures.

Other Post-Employment Benefits Other Than Pensions - The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("OPEB") that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow generally accepted accounting principles, the GASB did not result in a change in the Township's assets, liabilities and contribution requirements. The audited financial information related to OPEB is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30- 6.1(c)2, municipalities may use the most recent available audited GASB Statement No. 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of the audit, the 2022 Report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 8 for these disclosures.

Regulatory Basis Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Township 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.

Comparative Data

Comparative data for the prior year has been presented in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Summary of Significant Accounting Policies – (Continued)

Recently Issued Accounting Principles

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2023. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 99, *Omnibus 2023* in April 2023. This Statement provides guidance on the requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 which are effective immediately upon issuance. Additionally, the Statement provides guidance related to leases, PPPs, and SBITAs which are effective for periods beginning after June 15, 2023. Lastly, the Statement provides guidance related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which is effective for periods beginning after June 15, 2023. Management has not yet determined the impact of this Statement on the financial statements.

Subsequent Events

The Township has reviewed and evaluated all events and transactions from December 31, 2023 through June 14, 2024, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at December 31, 2023 have been recognized in the accompanying financial statements.

2. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

2. Deposits and Investments – (Continued)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less. Investments are stated at cost, which approximates fair value.

As of December 31, 2023 and 2022, cash and cash equivalents of the Township consisted of certificates of deposit and demand deposit accounts. The carrying amount of the Township's deposits at December 31, 2023 was \$22,596,670.89 and the bank balance was \$23,475,686.60. Of this amount, \$250,000.00 was covered by federal depository insurance and \$23,101,141.38 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA"). \$124,545.22 held in the Township agency accounts are not covered by GUDPA.

The carrying amount of the Township's deposits at December 31, 2022 was \$21,882,365.73 (excludes petty cash) and the bank balance was \$22,281,248.13. Of this amount, \$250,000.00 was covered by federal depository insurance and the remaining \$21,862,949.17 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA"). \$168,298.96 held in the Township agency account is not covered by GUDPA.

GASB Statement No. 40 requires that the Township disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Township would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Township. The Township does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

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

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

2. Deposits and Investments – (Continued)

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds and other obligations of the Township or bonds or other obligations of school districts, which are part of the Township or school districts located within the Township.
- d. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase that are approved by the New Jersey Department of Treasury Division of Investments.

Custodial Credit Risk: The Township does not have a policy for custodial credit risk for its investments.

Concentration of Credit Risk: The Township places no limit on the amount the Township may invest in any one issuer.

Credit Risk: The Township does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. Government or investments guaranteed by the U.S. Government.

Interest Rate Risk: The Township does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

During 2023 and 2022, the Township had no investments.

3. School Debt

The Township of Clark Board of Education is a Type II School District. As such, the members of the Board of Education are elected by the citizens of the Township and school appropriations are set by a Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Board of Education and, as such, are reported on the statement of net position of the Board of Education.

4. Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general municipal capital expenditures. All bonds issued by the Township are direct general obligations bonds backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Township of Clark
Notes to Financial Statements
Years ended December 31, 2023 and 2022

4. Long-Term Debt – (Continued)

Summary of Municipal Debt (excluding Type II School Debt)

The Township's debt is summarized as follows:

	2023	2022
Issued:		
General:		
Bonds and notes	\$ 27,805,000.00	\$ 30,715,000.00
Special Emergency Note	200,000.00	300,000.00
Total issued	28,005,000.00	31,015,000.00
Less:		
Deduction for Reserve for Debt Service	2,433.06	2,433.06
	28,002,566.94	31,012,566.94
Authorized but not issued:		
General:		
Bonds and notes	52,200.00	164,170.00
Net bonds and notes issued and authorized but not issued	\$ 28,054,766.94	\$ 31,176,736.94

Summary of Statutory Debt Condition (Annual Debt Statement)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.84%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ 28,057,200.00	\$ 2,433.06	\$ 28,054,766.94
School Debt	5,170,000.00	5,170,000.00	-
	\$ 33,227,200.00	\$ 5,172,433.06	\$ 28,054,766.94

Net debt \$28,054,766.94 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, \$3,313,118,584.67 equals 0.84%.

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

Equalized valuation basis* - December 31, 2023	\$ 3,313,118,584.67
3 1/2% of equalized valuation basis	\$ 115,959,150.46
Net debt	28,054,766.94
Remaining borrowing power	\$ 87,904,383.52

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

4. Long-Term Debt – (Continued)

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

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

Calendar Year	General		Total
	Principal	Interest	
2024	\$ 2,150,000.00	\$ 392,250.00	\$ 2,542,250.00
2025	2,150,000.00	344,875.00	2,494,875.00
2026	2,150,000.00	289,000.00	2,439,000.00
2027	2,150,000.00	226,750.00	2,376,750.00
2028	800,000.00	190,000.00	990,000.00
2029-2033	4,100,000.00	650,000.00	4,750,000.00
2034-2036	2,700,000.00	135,000.00	2,835,000.00
	<u>\$16,200,000.00</u>	<u>\$2,227,875.00</u>	<u>\$18,427,875.00</u>

Current Portion of Long Term Debt

	Beginning Balance	Reductions	Ending Balance	Due within One Year
General				
2017 Bond	\$ 8,500,000.00	\$ 1,700,000.00	\$ 6,800,000.00	\$ 1,700,000.00
2019 Bond	9,850,000.00	450,000.00	9,400,000.00	450,000.00
Total Debt	<u>\$ 18,350,000.00</u>	<u>\$ 2,150,000.00</u>	<u>\$ 16,200,000.00</u>	<u>\$ 2,150,000.00</u>

The Township has two serial bond issues outstanding in the general capital fund at December 31, 2023.

On March 15, 2017, the Township issued \$15,100,000.00 of General Improvement Bonds to fund outstanding bond anticipation notes and unfunded improvement authorizations. The bonds were issued with interest rates ranging from 2.00% to 3.00%. The annual principal payments are due through March 15, 2027. The bond issue interest is recorded on the cash basis for general debt. The annual principal payments are \$1,700,000.00.

On October 1, 2019, the Township issued \$11,200,000.00 of General Improvement Bonds to fund outstanding bond anticipation notes and unfunded improvement authorizations. The bonds were issued with an interest rate of 2.50%. The annual principal payments are due through October 1, 2036. The bond issue interest is recorded on the cash basis for general debt. The annual principal payments range from \$450,000.00 through \$900,000.00.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

4. Long-Term Debt – (Continued)

Bond anticipation notes were issued in the General Capital Fund at an interest rate of 4.50% and mature on August 16, 2024. At December 31, 2023 and 2022, there were notes outstanding of \$11,605,000 and \$12,365,000, respectively.

Special Emergency notes were issued in the Current Fund at an interest rate of 4.50% and mature on August 16, 2024. At December 31, 2023 and 2022, there were notes outstanding of \$200,000.00 and \$300,000.00, respectively.

The activity in notes issued in the Current Fund and General Capital Fund for the years ended December 31, 2023 and 2022 are as follows:

2023

Beginning Balance	Increase	Decrease	Ending Balance
\$ 12,665,000.00	\$ 11,805,000.00	\$ 12,665,000.00	\$ 11,805,000.00

2022

Beginning Balance	Increase	Decrease	Ending Balance
\$ 11,140,000.00	\$ 12,665,000.00	\$ 11,140,000.00	\$ 12,665,000.00

5. Fund Balances Appropriated

The following fund balances at December 31, 2023 were appropriated in the 2024 budget:

Current Fund	\$2,838,407.00
Sewer Utility Operating Fund	500,000.00
Swim Pool Utility Operating Fund	46,715.00

The following fund balances at December 31, 2022 were appropriated in the 2023 budget:

Current Fund	\$3,025,000.00
Sewer Utility Operating Fund	500,000.00
Swim Pool Utility Operating Fund	46,715.00

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

6. Property Taxes

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

Taxes collected in advance – Taxes collected in advance are recorded as cash liabilities in the financial statements are as follows:

	<u>2023</u>	<u>2022</u>
Prepaid taxes	\$ 328,191.20	\$ 347,604.32

7. Pension Plans

Description of Systems:

Substantially, all Township employees participate in the following contributory defined benefit public employee retirement systems, which have been established by State statute: the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). This system is sponsored and administered by the State of New Jersey. The PERS and PFRS plans are cost-sharing multiple-employer defined benefit pension plans.

Public Employees' Retirement System (PERS):

The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for the PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

Police and Firemen’s Retirement System (PFRS):

The Police and Firemen’s Retirement System (PFRS) was established in June 1944 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members.

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for the PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Funding Policy:

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member’s percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Township annually at an actuarially determined rate for its required contribution. The current rate is 7.50% and 10.00%, respectively, of annual covered payroll. The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of the respective plan. The Township’s contributions to the PERS for the year ended December 31, 2023, 2022 and 2021 were \$699,984.00, \$633,482.00, and \$569,864.00, respectively, equal to the required contribution for the year. The Township’s contributions to the PFRS for the year ended December 31, 2023, 2022 and 2021 were \$1,446,823.00, \$1,365,154.00, and \$1,219,118.00, respectively, equal to the required contribution for the year.

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, 2022, the Township’s liability for its proportionate share of the net pension liability was \$8,376,939. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Township’s proportion was 0.0555081161 percent, which was an increase of 0.001410468 from its proportion measured as of June 30, 2021.

Township of Clark
Notes to Financial Statements
Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

At December 31, 2022, the Township’s deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 25,954.00	\$ 1,254,359.00
Net difference between projected and actual earnings on pension plan investments	346,714.00	
Changes in proportion	585,994.00	
Difference between expected and actual experience	60,461.00	53,318.00
Township contributions subsequent to the measurement date	349,992.00	
	\$ 1,369,115.00	\$ 1,307,677.00

\$349,992.00 as of December 31, 2022 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

Year ended December 31:

2023	\$	(481,954.00)
2024		(199,465.00)
2025		(44,980.00)
2026		436,861.00
2027		984.00
	\$	(288,554.00)

Actuarial Assumptions

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

	June 30, 2022
Inflation Prices:	2.75%
Inflation Wages:	3.25%
Salary Increases:	
Through 2026	2.00% - 6.55%
Thereafter	Based on years of service 7.00%
	Based on years of service

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

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

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 table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

Long-Term Rate of Return

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

Asset Class	Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Township of Clark
Notes to Financial Statements
Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

Discount rate

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

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

The following presents the Township's proportionate share of the net pension liability as of December 31, 2022 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 10,761,913.00	\$ 8,376,939.00	\$ 6,347,230.00

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.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 1,660,772,008.00
Deferred inflows of resources	\$ 3,236,303,935.00
Net pension liability	\$ 15,219,184,920.00
 Township's Proportion	 0.0555081161%

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

Collective pension benefit for the Local Group for the measurement period ended June 30, 2022 was \$1,032,778,934.00.

The average of the expected remaining service lives of all plan members is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2022, the Township’s liability for its proportionate share of the net pension liability was \$12,733,697.00. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Township’s proportion was 0.11124673 percent, which was a decrease of 0.0058871868 from its proportion measured as of June 30, 2021.

At December 31, 2022, the Township’s deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 34,898.00	\$ 1,602,921.00
Net difference between projected and actual earnings on pension plan investments	1,166,032.00	-
Changes in proportion	1,238,132.00	943,917.00
Difference between expected and actual experience	576,361.00	780,112.00
Township contributions subsequent to the measurement date	1,446,823.00	-
	<u>\$ 4,462,246.00</u>	<u>\$ 3,326,950.00</u>

\$1,446,823.00 is reported as a deferred outflow of resources as of December 31, 2022 related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

2023	\$ (570,862.00)
2024	(146,082.00)
2025	(316,158.00)
2026	736,506.00
2027	(97,175.00)
2028	82,243.00
	<u>\$ (311,528.00)</u>

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

Actuarial Assumptions

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

	<u>June 30, 2022</u>
Inflation Prices:	2.75%
Inflation Wages:	3.25%
Salary Increases:	
Through 2026	
Thereafter	3.25% - 15.25% based on years of service
Investment rate of return	7.00%

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

Mortality Rates

Employee mortality rates were based on the PubS-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, post-retirement mortality rates were based on the PubS-2010 Amount Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 Amount Weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2022.

Long-Term Rate of Return

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

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

Asset Class	Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount rate

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

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

The following presents the Township's proportionate share of the net pension liability as of December 31, 2022 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 17,472,008.00	\$ 12,733,697.00	\$ 8,789,030.00

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 Police and Firemen's Retirement System.

Township of Clark
Notes to Financial Statements
Years ended December 31, 2023 and 2022

7. Pension Plans – (Continued)

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 2,163,793,985.00
Deferred inflows of resources	\$ 2,805,919,493.00
Net pension liability	\$ 13,483,472,009.00
 Township's Proportion	 0.1112467300%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2022 was \$165,943,124.00.

The average of the expected remaining service lives of all plan members is 6.22, 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

Special Funding Situation

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2022 is 0.1112467300% and the non-employer contributing entities' contribution for the year ended December 31, 2022 was \$282,134.00. The State's proportionate share of the net pension liability attributable to the Township for the year ended December 31, 2022 was \$2,266,225.00.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

8. Postemployment Benefits Other Than Pensions (OPEB)

Plan description and benefits provided

The Township participates in the State Health Benefit Local Government Retired Employees Plan (Plan), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the State of New Jersey Division of Pension and Benefits. The Plan covers employees of local government employers that have adopted a resolution to participate in the Plan.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents. Rules governing the operation and administration of the program are found in Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999. Additional information about the Plan is available from the State of New Jersey, Division of Pensions and Benefits Annual Comprehensive Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions.financial-reports.shtml>.

Plan Description: The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Plan Coverage: All active employees, including their dependents, are eligible to participate in the SHBP, upon completion of a sixty day waiting period. Retirees with twenty-five years or more of active service with the Township are also eligible to participate in the SHBP.

Funding Policy: Participating employers contractually contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Eligible employees and retirees have the option of choosing from six medical benefit plans (NJ Direct15, NJ Direct10, or Horizon HMO) with rates ranging from \$972.16 for a single participant to \$2,932.60 for family coverage.

The Township's contributions to SHBP for post-retirement benefits for the years ended December 31, 2022, 2021, and 2020 were \$1,647,922.46, \$1,165,918.00, and \$1,016,814.00, respectively, which equaled the required contributions for each year.

Township of Clark
Notes to Financial Statements
Years ended December 31, 2023 and 2022

8. Postemployment Benefits Other Than Pensions (OPEB) – (Continued)

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

At December 31, 2022, the Township's liability for its proportionate share of the net OPEB liability was \$29,941,996.00. The net OPEB liability as of December 31, 2022 was determined by an actuarial valuation as of June 30, 2021 which was rolled forward to June 30, 2022. The Township's proportion of the net OPEB liability was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating local governments, actuarially determined. At December 31, 2022, the Township's proportion was 0.185404 percent and had 197 participating members.

At December 31, 2022, the Township's deferred outflows of resources and deferred inflows of resources related to OPEB were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 3,995,883.00	\$ 10,218,626.00
Net difference between projected and actual earnings on OPEB plan investments	7,882.00	-
Differences between expected and actual experience	1,546,237.00	5,549,973.00
Changes in proportion	4,094,156.00	2,979,018.00
	\$ 9,644,158.00	\$ 18,747,617.00

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actual 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:

Discount Rate	3.54%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate for all future years	2.75% to 6.55%
	3.00% to 7.00%
Police and Fireman's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25%

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

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

8. Postemployment Benefits Other Than Pensions (OPEB) – (Continued)

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 "General" and "Safety" Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 "General" and "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" and "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. The rates used for 2025 and 2026 are 6.01% and 15.23%, respectively, trending to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term rate after seven years.

8. Postemployment Benefits Other Than Pensions (OPEB) – (Continued)

Sensitivity of the Township's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate:

The following presents the Township's proportionate share of the net OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	At 1% Decrease 2.54%	At Current Discount Rate 3.54%	At 1% Increase 4.54%
Township's proportionate share of the net OPEB liability	\$ 34,708,800.98	\$ 29,941,996.00	\$ 26,106,655.40

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

8. Postemployment Benefits Other Than Pensions (OPEB) – (Continued)

The following presents the Township’s proportionate share of the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the Township’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>At 1% Decrease</u>	<u>At Current Healthcare Trend Rate</u>	<u>At 1% Increase</u>
Township's proportionate share of the net OPEB liability	\$ 25,400,696.65	\$ 29,941,996.00	\$ 35,758,121.69

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, 8.14, and 8.04 years for the 2022, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

9. Compensated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Township’s liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$1,159,241.90 and \$1,125,185.92 as of December 31, 2023 and 2022, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. As of December 31, 2023 and 2022, \$1,121,561.38 and \$1,061,561.38, respectively, was set aside in a trust fund reserve for the payment of compensated absences. The Township appropriated \$60,000.00 and \$100,000.00, respectively, in its 2023 and 2022 adopted budgets for accrued sick and vacation liabilities.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

10. Tax Appeals

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2023 and prior years. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues, through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51.

The Township has made a provision from tax revenues, in the amount of \$1,094,659.16 for these appeals in the event that the tax reductions are granted. In accordance with the National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, the Township charges to current fund operations or a reduction of current tax collections, all state board judgments rendered during the year which will be paid from expendable available resources. The Township's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

11. Commitments and Contingencies

The Township receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes.

Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023, the Township estimates that no material liabilities will result from such audits.

The Township is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

12. Risk Management

The Township has established a self-insurance program that enables the governing body of the local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The Township self-insures for professional liability, general liability and workers' compensation exposures up to \$100,000.00 per occurrence. The Township participates in a Joint Insurance Fund ("JIF"), which currently serves as administrator of the Township's insurance program. The joint insurance pool is a public utility risk pool currently operating as a common risk management and insurance program for municipalities in New Jersey. The JIF covers all Township claims in excess of \$100,000.00 per occurrence and is funded by Township budget appropriations to pay for premiums that are assessed annually. The JIF is expected to be self-sustaining through member premiums, of which the Township portion is reported as expenditure in the Township's financial statements. In addition, the Township is not aware of any claims pending that have a demand in excess of these coverages. There have been no settlements, which exceeded insurance coverage for each of the past three fiscal years.

Township of Clark
Notes to Financial Statements
Years ended December 31, 2023 and 2022

12. Risk Management (continued)

The JIF’s audit report for the fiscal year ended December 31, 2023 was not available as of the date of this report. Selected, summarized information for the NJMSIJIF as of December 31, 2022 and 2021 (latest information available) is as follows:

	2022	2021
Total Assets	\$ 12,681,894.00	\$ 13,348,820.00
Fund Surplus	\$ 5,869,145.00	\$ 7,130,516.00
Total Revenues	\$ 2,495,841.00	\$ 2,775,588.00
Total Expenses	\$ 3,757,212.00	\$ 2,226,684.00
Net Income (Loss) for the Year Ended December 31, 2022 and 2021	\$ (1,261,371.00)	\$ 548,904.00

13. Deferred Compensation

The Township of Clark offers its employees a Deferred Compensation Plan, created in accordance with the provisions of N.J.S. 43:15B-1 et..seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The “Small Business Job Protective Act of 1996” revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The administrators for the Township of Clark Deferred Compensation Plan are MetLife and Lincoln Financial.

The plan’s assets are not the property of the Township and therefore are not presented in the financial statements. As of December 31, 2023 and 2022, the funds held in trust amounted to \$2,059,735.12 and \$1,899,536.18, respectively.

14. Deferred Charges To Be Raised In Succeeding Years Budgets

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023 and 2022, the Current Fund reflects a \$200,000.00 and \$300,000.00, respectively, deferred charge resulting from a five year special emergency for revaluation of real property, \$100,000.00 of which will be raised in the 2024 and 2025 budgets.

Township of Clark

Notes to Financial Statements

Years ended December 31, 2023 and 2022

15. Due to/from Other Funds

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2023</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ -	\$ 186,553.45
Grant Fund	186,553.45	-
	<hr/>	
Total	\$ 186,553.45	\$ 186,553.45
	<hr/>	

The above balances are a result of grants being earned in one fund and owed to another fund. There were no interfund receivables and payables at December 31, 2022.

Current and Grant Fund
Schedules

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 7,915,766.78
Increased by receipts:		
Taxes receivable	3-A	70,586,022.62
Revenue accounts receivable	6-A	4,813,598.59
Miscellaneous revenue not anticipated	A-2	602,716.83
Refund of prior year expenditures	A-1	2,332.74
State of New Jersey senior citizens and veterans deductions	4-A	108,785.61
Sale of foreclosed property	5-A	2,525.00
Prepaid taxes	10-A	328,191.20
Other	A	963.35
Unappropriated reserves	17-A	186,553.45
Fees due to State of NJ	7-A	33,848.00
Special emergency note issued	19-A	200,000.00
		<u>84,781,304.17</u>
Decreased by disbursements:		
2023 appropriations	A-3	25,007,940.37
2022 appropriation reserves	8-A	434,883.25
County taxes	14-A	13,879,569.89
Added taxes due County	13-A	84,512.24
Local district school taxes	9-A	35,794,393.00
Reserve for tax appeals	12-A	3,488.35
Tax overpayments	11-A	6,860.40
Fees due to State of NJ	7-A	33,848.00
Special emergency notes paid	19-A	300,000.00
		<u>300,000.00</u>
Balance, December 31, 2023	A	<u>\$ 9,232,320.32</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Cash Receipts and Disbursements - Grant Fund

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 1,162,656.57
Increased by Receipts:		
Grants receivable	15-A	174,906.35
Unappropriated grants	17-A	<u>3,187.50</u>
		1,340,750.42
Decreased by Disbursements:		
Appropriated grants paid	16-A	255,307.16
Encumbrances paid	A	<u>51,287.53</u>
Balance, December 31, 2023	A	<u>\$ 1,034,155.73</u>

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Year ended December 31, 2023

Year	Balance December 31, 2022	2023 Levy	Added	Collections		State Share of Veteran and Senior Citizens	Cancelled	Balance December 31, 2023
				2022	2023			
2022	\$ 434,851.18			\$ 433,918.95		\$ 932.23		
	434,851.18			433,918.95		932.23		
2023		\$ 70,766,497.71	\$ 431,472.49	\$ 347,604.32	70,152,103.67	\$ 107,243.83	141,036.33	\$ 449,982.05
	\$ 434,851.18	\$ 70,766,497.71	\$ 431,472.49	\$ 347,604.32	\$ 70,586,022.62	\$ 107,243.83	\$ 141,968.56	\$ 449,982.05
Reference	A	Below	Below	Below, 10-A	1-A, Below	4-A, Below		A

Reference

Collected in 2023	Above	\$ 70,152,103.67
Collected in 2022	Above	347,604.32
Senior citizens and veterans deductions (net)	Above	107,243.83
	A-2	\$ 70,606,951.82

Analysis of 2023 Tax Levy

Tax yield:		
General purpose tax	Above	\$ 70,766,497.71
Added and omitted taxes (54:4-63.1 et seq.)	Above	431,472.49
	Above	\$ 71,197,970.20
Tax levy:		
Local district school tax (abstract)	A-1,9-A	\$ 35,794,393.00
County tax (abstract)	A-1,14-A	13,879,569.89
Due County for added and omitted taxes (54:4-63.1 et seq.)	A-1,13-A	84,512.24
	A-2	49,758,475.13
Local tax for municipal and library purposes (abstract)	A-2	21,091,583.00
Additional tax levied	Above	347,912.07
	Above	\$ 71,197,970.20

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Due From State of New Jersey -
Senior Citizens and Veterans Deductions

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 2,403.42
Increased by:		
Senior citizens and veterans deductions levy per tax duplicate	Below	108,750.00
Senior citizens and veterans deductions allowed by tax collector	Below	<u>1,500.00</u>
		112,653.42
Decreased by:		
Cash received	1-A	108,785.61
Senior citizens deductions disallowed by tax collector	Below	<u>3,006.17</u>
Balance, December 31, 2023	A	<u>\$ 861.64</u>
Analysis of realized revenue		
Senior citizens and veterans deductions per tax billing	Above	\$ 108,750.00
Senior citizens and veterans deductions allowed by tax collector - 2023	Above	<u>1,500.00</u>
		110,250.00
Senior citizens and veterans deductions disallowed - 2023 taxes	Above	<u>3,006.17</u>
	3-A	<u>\$ 107,243.83</u>

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Foreclosed Property

Year ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	A		\$ 9,800.00
Decreased by:			
Cash receipts	1-A	\$ 2,525.00	
Loss on sale of property	Reserved	<u>1,375.00</u>	<u>3,900.00</u>
Balance, December 31, 2023	A		<u><u>\$ 5,900.00</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Revenue Accounts Receivable

Year ended December 31, 2023

	Reference	Balance December 31, 2022	Accrued in 2023	Received	Balance December 31, 2023
Licenses:					
Alcoholic beverages	A-2		\$ 29,630.80	\$ 29,630.80	
Other	A-2		11,866.00	11,866.00	
Fees and permits	A-2		199,172.00	199,172.00	
Fines and costs:					
Municipal court	A-2	\$ 8,438.58	93,927.53	96,192.55	\$ 6,173.56
Interest and costs on taxes	A-2		115,251.13	115,251.13	
Interest on investments and deposits	A-2		351,691.00	351,691.00	
Anticipated Utility Operating Surplus	A-2		700,000.00	700,000.00	
Mountainside Boro - Broadcasting	A-2		20,000.00	20,000.00	
Energy receipts tax (P.L. 1977, Chapters 162 and 167)	A-2		1,800,889.94	1,800,889.94	
Uniform construction code	A-2		527,474.00	527,474.00	
Board of education - trash removal	A-2		35,037.66	35,037.66	
Uniform fire safety act	A-2		51,499.97	51,499.97	
CableTV franchise fee	A-2		76,434.00	76,434.00	
Omnipoint cell tower rental	A-2		660,030.92	660,030.92	
Hotel tax	A-2		138,428.62	138,428.62	
		\$ 8,438.58	\$ 4,811,333.57	\$ 4,813,598.59	\$ 6,173.56
Reference	A			A-2, 1-A	A

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Due to State of New Jersey

Year ended December 31, 2023

	<u>Reference</u>	<u>Total</u>	<u>Construction Code Fees</u>	<u>Marriage Licenses</u>
Balance, December 31, 2022	A	\$ -	\$ -	\$ -
Increased by:				
Cash receipts	1-A	33,848.00	29,267.00	4,581.00
		<u>33,848.00</u>	<u>29,267.00</u>	<u>4,581.00</u>
Decreased by:				
Cash disbursements	1-A	33,848.00	29,267.00	4,581.00
		<u>33,848.00</u>	<u>29,267.00</u>	<u>4,581.00</u>
Balance, December 31, 2023	A	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of 2022 Appropriation Reserves

Year ended December 31, 2023

	Balance December 31, 2022	Balance After Transfer	Expended (Refunds)	Balance Lapsed
General Government:				
Department of administration				
Business administration				
Salaries and wages	\$ 5,536.28	\$ 5,536.28		\$ 5,536.28
Other expenses	20,209.14	20,209.14	\$ 12,152.03	8,057.11
Communications				
Salaries and wages	24,755.42	24,755.42		24,755.42
Other expenses	7,633.73	7,912.73	313.35	7,599.38
Mayor's office				
Salaries and wages	1,543.69	1,543.69		1,543.69
Other expenses	6,939.56	6,939.56		6,939.56
Township council				
Salaries and wages	0.28	0.28		0.28
Other expenses	28,800.77	28,800.77		28,800.77
Township clerk				
Salaries and wages	400.08	400.08		400.08
Other expenses	6,716.69	6,860.51	153.82	6,706.69
Elections				
Salaries and wages	1,342.83	1,342.83		1,342.83
Other expenses	811.25	811.25		811.25
Department of revenue and finance				
Directors office				
Salaries and wages	22,704.00	22,704.00		22,704.00
Other expenses	29,323.25	29,323.25	1,516.56	27,806.69
Division of revenue				
Collection of taxes				
Salaries and wages	1,000.04	1,000.04		1,000.04
Other expenses	231.39	231.39	230.00	1.39
Department of assessment				
Assessments of taxes				
Salaries and wages	6,963.00	6,963.00		6,963.00
Other expenses	9,035.34	12,492.54	3,595.20	8,897.34
Department of law				
Other expenses	70,810.99	70,810.99	16,250.16	54,560.83
Department of engineering				
Other expenses	49,347.62	49,347.62	8,497.47	40,850.15
Planning board - municipal land use law (NJSA 40:550-1)				
Salaries and wages	1,018.04	1,018.04		1,018.04
Other expenses	4,338.28	4,338.28	2,153.76	2,184.52
Board of adjustment				
Salaries and wages	1,049.00	1,049.00		1,049.00
Other expenses	4,408.25	4,408.25	(30.00)	4,438.25
Code enforcement				
Salaries and wages	50,662.67	50,662.67		50,662.67
Other expenses	120,608.31	121,817.39	6,000.00	115,817.39
Group onsurance for employees	211,896.50	211,896.50		211,896.50
Life insurance	3,565.39	3,565.39		3,565.39
Disability insurance	14,166.79	14,166.79		14,166.79
Employee group health	118,732.74	118,732.74		118,732.74
Health benefit waiver	6,293.00	6,293.00		6,293.00
Police				
Salaries and wages	107,309.38	107,309.38		107,309.38
Other expenses	115,988.38	144,302.15	36,533.57	107,768.58
Public Safety				
Salaries and wages	150.00	150.00		150.00
Emergency management services				
Other expenses	706.21	706.21		706.21
Fire				
Salaries and wages	41,763.86	41,763.86		41,763.86
Other expenses	16,002.28	30,234.33	29,023.96	1,210.37
Fire hydrant services	61,514.46	61,514.46	23,801.82	37,712.64
Uniform fire safety act				
Fire official				
Salaries and wages	1,727.99	1,727.99		1,727.99
Other expenses	1,318.16	1,318.16	1,228.86	89.30
Buildings and grounds				
Salaries and wages	8,112.51	8,112.51		8,112.51
Other expenses	57,399.31	73,535.60	12,907.69	60,627.91
Bureau of health				
Salaries and wages	299.96	299.96		299.96
Other expenses	9,212.92	9,312.92	1,255.00	8,057.92

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of 2022 Appropriation Reserves
Year ended December 31, 2023

	Balance December 31, 2022	Balance After Transfer	Expended (Refunds)	Balance Lapsed
Bureau of roads, road repair and maintenance				
Salaries and wages	\$ 132,232.84	\$ 132,232.84		\$ 132,232.84
Other expenses	87,827.82	106,181.32	\$ 105,836.35	344.97
Department of senior citizens affairs				
Salaries and wages	19,155.60	19,155.60		19,155.60
Other expenses	3,850.26	3,850.26	(64.31)	3,914.57
Services of visiting nurse - contractual	2,582.00	2,582.00	304.00	2,278.00
Department of recreation				
Salaries and wages	65,709.76	65,709.76		65,709.76
Other expenses	12,526.50	12,526.50	76.21	12,450.29
Celebration of public events	8,064.60	8,064.60	1,750.00	6,314.60
Street lighting	3,106.40	3,106.40	2,394.71	711.69
Municipal court				
Salaries and wages	3,379.68	3,379.68		3,379.68
Other expenses	8,677.46	8,677.46	171.17	8,506.29
Unclassified				
Recycling	77,267.98	77,267.98	61,958.26	15,309.72
Shade Tree	3,300.00	3,300.00		3,300.00
Grass collection	1,170.00	1,170.00		1,170.00
Leaf collection	28,800.00	28,800.00	28,080.00	720.00
Clean up	16,444.00	16,444.00		16,444.00
Municipal Services Act	31,117.47	31,117.47	17,803.92	13,313.55
Environmental commission				
Other expenses	100.00	100.00		100.00
Utilities	48,823.59	48,823.59	48,823.59	
Telephone - all departments	234.37	234.37		234.37
Gas - diesel	1,217.04	8,357.07	7,140.03	1,217.04
STATUTORY EXPENDITURES:				
Contribution to:				
Social security system (O.A.S.I.)	2,699.01	2,699.01		2,699.01
Maintenance of 911:				
Other expenses	20,712.44	20,842.39	5,026.07	15,816.32
	<u>\$ 1,831,348.56</u>	<u>\$ 1,920,843.25</u>	<u>\$ 434,883.25</u>	<u>\$ 1,485,960.00</u>
Reference	Below	Below	1-A	A-1

Appropriation Reserves, Dec. 31, 2022	A	\$ 1,831,348.56
Encumbrances, Dec. 31, 2022	A	89,494.69
	Above	<u>\$ 1,920,843.25</u>

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Local District School Tax

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ -
Increased by:		
Tax levy year 2023	A-1, 3-A	<u>35,794,393.00</u>
		35,794,393.00
Decreased by:		
Payments	1-A	<u>35,794,393.00</u>
Balance, December 31, 2023	A	<u><u>\$ -</u></u>

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Prepaid Taxes

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 347,604.32
Increased by:		
Cash received	1-A	<u>328,191.20</u>
		675,795.52
Decreased by:		
Applied to 2023 taxes receivable	3-A	<u>347,604.32</u>
Balance, December 31, 2023	A	<u><u>\$ 328,191.20</u></u>

Schedule of Tax Overpayments

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 6,860.40
Decreased by:		
Cash disbursed	1-A	<u>6,860.40</u>
Balance, December 31, 2023	A	<u><u>\$ -</u></u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Reserve for Tax Appeals

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 1,098,147.51
Decreased by:		
Cash disbursed	1-A	<u>3,488.35</u>
Balance, December 31, 2023	A	<u>\$ 1,094,659.16</u>

Schedule 13-A

Schedule of Due to County for Added and Omitted Taxes

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ -
Increased by county share of 2023 levy:		
Added taxes (R.S. 54:4-61 et. Seq.)	A-1, 3-A	<u>84,512.24</u> 84,512.24
Decreased by:		
Cash disbursed	1-A	<u>84,512.24</u>
Balance, December 31, 2023	A	<u>\$ -</u>

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of County Taxes Payable

Year ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	A	\$	-
Increased by:			
2023 levy		\$	13,371,352.93
Open Space, Recreation and Historic			<u>508,216.96</u>
	A-1, 3-A		<u>13,879,569.89</u>
			13,879,569.89
Decreased by:			
Cash disbursed	1-A		<u>13,879,569.89</u>
Balance, December 31, 2023	A	<u>\$</u>	<u>-</u>

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Grants Receivable-Grant Fund

Year ended December 31, 2023

<u>Grant</u>	Balance December 31, 2022	2023 Budget Revenue Realized	2023 Received	Unappropriated Applied	Cancelled	Balance December 31, 2023
Recycling Tonnage		\$ 16,604.17	\$ 16,604.17			
Municipal Alliance Grant	\$ 12,480.00	13,194.00	8,606.27		\$ 4,359.93	\$ 12,707.80
Body Armor		2,756.12		\$ 2,756.12		
Clean Communities		35,069.91	35,069.91			
Union County Recreation		24,072.00				24,072.00
Union County Greening Grant		6,300.00				6,300.00
Lead Grant		24,960.00				24,960.00
Stormwater Assistance Grant		15,000.00	15,000.00			
Body Worn Camera Grant	65,216.00					65,216.00
DMHAS Youth Grant	3,646.00	3,646.00	3,646.00			3,646.00
Union County Kids Grant 2022	45,000.00		45,000.00			
Opioid		14,492.69	14,492.69			
Greening Union County-2022	5,000.00		4,969.50		30.50	
Health Infrastructure Grant		118,088.00	31,517.81			86,570.19
Union County Infrastructure-2022		42,500.00				42,500.00
Total	\$ 131,342.00	\$ 316,682.89	\$ 174,906.35	\$ 2,756.12	\$ 4,390.43	\$ 265,971.99
Reference	A	A-2, 16-A	2-A	17-A	16-A	A

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Reserve for Grant Expenditures - Appropriated - Grant Fund

Year ended December 31, 2023

Grant	Balance	Transferred from 2023		Paid or Charged	Balance
	December 31, 2022	Budget Appropriations	Cancelled		December 31, 2023
		Appropriation			
		By 40A:4-87			
Recycling Tonnage Grant		\$ 16,604.17		\$ 16,604.17	
Municipal Alliance	\$ 11,358.24	13,194.00	\$ 4,359.93	9,289.01	\$ 10,903.30
Body Armor		2,756.12			2,756.12
Drunk Driving Enforcement	3,615.50			3,311.40	304.10
Clean Communities		35,069.91		35,069.91	
American Recovery Act	1,147,436.60			323,633.50	823,803.10
Union County Kids Recreation Grant		24,072.00			24,072.00
Body Worn Camera Grant	65,216.00				65,216.00
DMHAS Youth Grant	3,464.00	3,646.00		3,646.00	3,464.00
Lead Grant		24,960.00			24,960.00
Stormwater Assistance Grant		15,000.00			15,000.00
Health Infrastructure Grant		118,088.00		37,853.52	80,234.48
Opioid Grant	8,834.08	14,492.69			23,326.77
Greening Union County-2023		6,300.00			6,300.00
Greening Union County-2022	30.50		30.50		
Union County Infrastructure-2023		42,500.00		42,500.00	
	<u>\$ 1,239,954.92</u>	<u>\$ 316,682.89</u>	<u>\$ 4,390.43</u>	<u>\$ 471,907.51</u>	<u>\$ 1,080,339.87</u>
Reference	A	15-A, A-3	15-A	Below	A
			Reference		
		Encumbrances	A	\$ 216,600.35	
		Cash disbursed	2-A	<u>255,307.16</u>	
			Above	<u>\$ 471,907.51</u>	

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Unappropriated Reserve for Grants - Grant Fund

Year ended December 31, 2023

<u>Grant</u>	Balance December 31, 2022	Decreased by Balance Appropriated	Increased by Cash Received	Balance December 31, 2023
Body Armor	\$ 2,756.12	\$ 2,756.12	\$ 3,187.50	\$ 3,187.50
Municipal Relief Aid			186,553.45	186,553.45
	<u>\$ 2,756.12</u>	<u>\$ 2,756.12</u>	<u>\$ 189,740.95</u>	<u>\$ 189,740.95</u>
<u>Reference</u>	A	15-A	2-A, A	A

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Deferred Charges

Special Emergency - Revaluation of Real Property (N.J.S. 40A:4-53)

Year ended December 31, 2023

	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2022	Decreased	Balance December 31, 2023
Revaluation of Real Property	\$ 500,000.00	\$ 100,000.00	\$ 300,000.00	\$ 100,000.00	\$ 200,000.00
<u>Reference</u>			A	A-3	A

Township of Clark
 County of Union, New Jersey
 Current Fund

Schedule of Special Emergency Notes Payable

Year ended December 31, 2023

Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increased	Decreased	Balance December 31, 2023
12/3/2020	12/1/2023	8/16/2024	4.25%	\$ 300,000.00	\$ 200,000.00	\$ 300,000.00	\$ 200,000.00
			<u>Reference</u>	A	1-A	1-A	A

Township of Clark
County of Union, New Jersey
Current Fund

Schedule of Reserve for Revaluation

Year ended December 31, 2023

Reference

Balance, December 31, 2023 and 2022

A

\$ 82,905.48

Trust Fund

Schedules

Township of Clark
County of Union, New Jersey
Trust Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2023

	Reference	Animal Control	Other
Balance, December 31, 2022	B	\$ 12,528.35	\$ 5,367,951.95
Increased by receipts:			
Dog license fees	2-B	11,088.00	
Cat license fees	2-B	861.00	
Due to State of New Jersey	3-B	777.60	
Reserve for various trust deposits	4-B		13,952,672.22
Budget appropriation	2-B	26,000.00	
Miscellaneous	2-B	947.25	
		<u>52,202.20</u>	<u>19,320,624.17</u>
Decreased by disbursements:			
Expenditures under			
R.S.4:19-15.11	2-B	39,702.36	
Due to State of New Jersey	3-B	778.80	
Reserve for various trust deposits	4-B		13,224,719.49
		<u>40,481.16</u>	<u>13,224,719.49</u>
Balance, December 31, 2023	B	<u>\$ 11,721.04</u>	<u>\$ 6,095,904.68</u>

Township of Clark
County of Union, New Jersey
Trust Fund

Schedule of Reserve for Animal Control Fund Expenditures

Year ended December 31, 2023

	Reference		
Balance, December 31, 2022	B	\$	12,527.15
Increased by:			
Dog license fees collected	1-B		11,088.00
Cat license fees collected	1-B		861.00
Budget appropriation	1-B		26,000.00
Miscellaneous	1-B		947.25
			51,423.40
Decreased by:			
Expenditures under R.S. 4:19-15.11:			
Cash disbursements	1-B		39,702.36
Balance, December 31, 2023	B	\$	11,721.04
License fees collected:			
2022		\$	14,789.00
2021			16,010.00
		\$	30,799.00

AUDITOR'S NOTE

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

Township of Clark
 County of Union, New Jersey
 Trust Fund

Schedule of Due to State of New Jersey - Animal Control Fund

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	B	\$ 1.20
Increased by:		
Cash receipts	1-B	<u>777.60</u>
		778.80
Decreased by:		
Cash disbursements	1-B	<u>778.80</u>
Balance, December 31, 2023	B	<u><u>\$ -</u></u>

Township of Clark
 County of Union, New Jersey
 Other Trust Fund

Schedule of Reserve for Various Trust Deposits

Year ended December 31, 2023

	Balance December 31, 2022	Cash Receipts	Cash Disbursements	Balance December 31, 2023
Developers Escrow	\$ 1,267,447.43	\$ 446,074.33	\$ 133,638.66	\$ 1,579,883.10
Police Donations	1,813.56	1,659.73		3,473.29
Public Events - Donations	201.47	1,500.00	1,400.00	301.47
Recreation Trust	120,702.28	420,544.05	307,726.49	233,519.84
Reserve for LOSAP	339,581.51	1,000.00	43,450.00	297,131.51
Reserve for Insurance	328,484.78	719,248.57	406,357.47	641,375.88
Public Defender	3,848.66	2,605.00	5,879.12	574.54
Court POAA	1,209.00	90.00		1,299.00
Reserve for Tax Sale Premium	434,551.14	157,358.45	185,176.30	406,733.29
Compensated Absences	1,061,561.38	60,000.00		1,121,561.38
Storm Recovery Reserve	396,251.38		274,386.58	121,864.80
Unemployment	186,370.71	22,000.00	53,689.79	154,680.92
Forfeited Funds	16,037.26	289.35	2,178.00	14,148.61
Bullet Proof Vests		1,773.73		1,773.73
Housing Trust	1,013,712.51	426,715.96	32,010.70	1,408,417.77
Insurance	33,028.49		33,028.49	
Payroll	2,084.23	6,924,446.40	6,923,538.98	2,991.65
Agency	161,066.16	4,767,366.65	4,822,258.91	106,173.90
	\$ 5,367,951.95	\$ 13,952,672.22	\$ 13,224,719.49	\$ 6,095,904.68
Reference	B	1-B	1-B	B

General Capital Fund

Schedules

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 3,334,078.17
Increased by cash receipts:		
Bond anticipation notes issued	7-C	11,605,000.00
Capital improvement fund	5-C	275,000.00
Budget appropriation to Fund Deferred Charge Unfunded	4-C	1,220.00
Budget Appropriation to Pay Notes	4-C	365,000.00
DOT - Unfunded	4-C	231,010.00
Contribution - Recreation	4-C, 7-C	687,000.00
Contribution	4-C, 7-C	10,000.00
Bond anticipation note premium	C-1	48,282.45
Soccer Club - contribution	C-1	40,000.00
Grants receivable	10-C	363,492.50
		<u>16,960,083.12</u>
Decreased by cash disbursements:		
Reserve for Board of Education contribution	C	2,360.14
Bond anticipation notes paid	7-C	12,365,000.00
Improvement authorizations	9-C	2,581,891.63
		<u>14,949,251.77</u>
Balance, December 31, 2023	C	<u><u>\$ 2,010,831.35</u></u>

Township of Clark

General Capital Fund

Schedule of Analysis of General Capital Cash

	<u>Reference</u>	Balance December 31	
		2023	2022
Capital improvement fund	5-C	\$ 580,773.50	\$ 305,773.50
State transportation aid receivable (net of reserve)	C	(84,247.50)	
Encumbrances payable	9-C	12,500.38	1,330,058.41
Reserve for BOE Contribution	C	2,027.86	4,388.00
Reserve for debt service	C	2,433.06	2,433.06
Fund balance	C-1	522,573.47	297,982.51
Funds Held in Trust	4-C	10,000.00	
Improvement Authorizations:			
17-21	Ambulance & Portable Radio's		1,733.00
18-14	Improvement of Lake Ave.		49,575.51
19-16	Public Safety Building	4,444.67	4,945.88
20-11	2020 Capital Roads	1,201.23	2,167.44
20-12	Imp. To Parks and Rec	11,841.19	39,953.00
20-15	Fire Dept Equipment	358.89	358.89
20-18	2020 Capital Roads II	217,289.12	217,790.33
20-19	Replacement of TV-36	6,438.67	7,441.08
21-12	Imp. To Lincoln Blvd	4,429.36	5,769.27
21-15	Street Sweeper	1,939.01	2,440.22
21-16	Bullet Proof Vests	2,304.23	2,304.23
21-24A	DPW Loader	269.95	269.95
21-24B	OEM Generators, Pumps & Radios	91.74	82.90
21-24C	Pumper Fire Engine	61,320.21	60,100.21
21-24D	Police Body Cameras	7,658.71	20,159.09
21-24E/22-05	Library HVAC	45,934.09	134,896.33
21-24E/22-05	Library HVAC	(10,000.00)	
21-24F	Library Furnishings	4,335.26	4,335.26
21-24 G	Turf Field	122,290.10	674,187.20
22-05A	DOT Roads	(4,158.42)	(94,142.52)
22-05C	Replacement of Sidewalks	141,236.24	128,215.47
22-05D	DPW Vehicles & Equipment	10,020.36	10,020.36
22-10B	Acquisition of New Vehicles		109,732.12
22-10C	Fire Department Equipment	10,606.27	11,107.47
23-09	2023 DOT Roads-Stonehenge	324,919.70	
	C	<u>\$ 2,010,831.35</u>	<u>\$ 3,334,078.17</u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Deferred Charges to Future Taxation-Funded

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 18,350,000.00
Decreased by:		
Bonds paid	8-C	<u>2,150,000.00</u>
Balance, December 31, 2023	C	<u>\$ 16,200,000.00</u>

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of Deferred Charges to Future Taxation-Unfunded

Year ended December 31, 2023

Ordinance Number	Improvements Authorization	Balance December 31, 2022	2023 Authorizations	Funded by		Balance December 31, 2023	Analysis of Balance December 31, 2023			
				Notes Budget Appropriation	Contributions		Def Chg Budget Appropriation	Bond Anticipation Notes	Expenditures	Unexpended Authorizations-Unfunded
General Improvements:										
19-16/21 20-17	Public Safety Building	\$ 1,745,000.00		\$ 40,000.00		\$ 1,705,000.00	\$ 1,705,000.00			
20-11	2020 Capital Roads	675,000.00		40,000.00		635,000.00	635,000.00			
20-12	Improvements to Parks and Recreation	175,000.00		17,000.00		158,000.00	158,000.00			
20-15	Gym Floor Replacement	360,000.00		12,000.00		348,000.00	348,000.00			
20-15	Fire Department Equipment	360,000.00		36,000.00		324,000.00	324,000.00			
20-18	2020 Capital Roads Phase II	375,000.00		22,000.00		353,000.00	353,000.00			
20-19	Replacement of TV-36 System	360,000.00		20,000.00		340,000.00	340,000.00			
21-12	2021 Capital Road Imp.	1,040,000.00		62,000.00	\$ 10,000.00	968,000.00	968,000.00			
21-24A	DPW Loader	130,000.00		5,000.00		125,000.00	125,000.00			
21-24C	Pumper Fire Engine	1,214,200.00		70,000.00		1,142,980.00	1,142,980.00			
21-24D	Police Body Cameras	323,800.00		35,000.00		288,800.00	288,800.00			
21-24E	Library HVAC	1,020,850.00		6,000.00		783,840.00	773,840.00	\$ 10,000.00		
21-24G	Turf Field	3,155,000.00			231,010.00	2,468,000.00	2,468,000.00			
22-05A	DOT Roads	162,950.00			110,750.00	52,200.00		4,158.42	\$ 48,041.58	
22-05B	2022 Capital Roads	790,475.00				790,475.00	790,475.00			
22-05C	Replacement of Sidewalks	304,750.00				304,750.00	304,750.00			
22-05D	DPW Vehicles & Equipment	189,575.00				189,575.00	189,575.00			
22-10B	Acquisition of New Vehicles	104,720.00				104,720.00	104,720.00			
22-10C	Fire Department Equipment	42,850.00				42,850.00	42,850.00			
23-09	2023 DOT Roads-Stonehenge		\$ 533,010.00			533,010.00	533,010.00			
		<u>\$ 12,529,170.00</u>	<u>\$ 533,010.00</u>	<u>\$ 365,000.00</u>	<u>\$ 1,038,760.00</u>	<u>\$ 1,220.00</u>	<u>\$ 11,657,200.00</u>	<u>\$ 11,595,000.00</u>	<u>\$ 14,158.42</u>	<u>\$ 48,041.58</u>
Reference		C	6-C, 11-C	1-C, 7-C	Below	1-C, 11-C	C	Below	2-C	Below
		Reference							Reference	
						Funds held in Trust	\$ (10,000.00)		2-C	
Contribution-Recreation	1-C			\$ 687,000.00		Bond anticipation notes	11,605,000.00		7-C	
Contributions-Library	1-C			231,010.00			<u>\$ 11,595,000.00</u>		Above	
Grants	1-C			110,750.00						
Contribution	1-C			10,000.00						
	Above			<u>\$ 1,038,760.00</u>						
						Improvement Authorizations-unfunded		6-C	\$ 534,824.15	
						Less unexpended proceeds of notes:				
						22-05C		2-C	141,236.24	
						22-05D		2-C	10,020.36	
						22-10C		2-C	10,606.27	
						23-09		2-C	324,919.70	
						Unexpended Authorizations-unfunded		Above	<u>\$ 48,041.58</u>	

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Capital Improvement Fund

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 305,773.50
Increased by:		
Budget Appropriation	1-C	<u>275,000.00</u>
Balance, December 31, 2023	C	<u>\$ 580,773.50</u>

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of Improvement Authorizations

Year ended December 31, 2023

Ordinance Number	Improvements Authorization	Date	Balance December 31, 2022		2023 Authorizations	Canceled	Encumbrances Canceled	Paid or Charged	Balance December 31, 2023	
			Amount	Funded					Unfunded	Funded
General Improvements										
17-21	Bucket Truck - Public Works	11/30/17	\$ 120,000.00	\$ 1,733.00		\$ 1,733.00				
18-04	Capital Roads	03/19/18	1,000,000.00			85,000.00	\$ 85,000.00			
18-14	Improvement of Lake Ave.	06/04/18	400,000.00	49,575.51		49,575.51				
19-16/21	Public Safety Building	06/03/19	10,250,000.00	4,945.88				\$ 501.21	\$ 4,444.67	
20-11	2020 Capital Roads	04/06/20	750,000.00	2,167.44				966.21	1,201.23	
20-12	Imp. To Parks and Rec	04/06/20	200,000.00	39,953.00				28,111.81	11,841.19	
20-15	Fire Dept Equipment	06/01/20	400,000.00	358.89					358.89	
20-18	2020 Capital Roads II	09/08/20	750,000.00	217,790.33				501.21	217,289.12	
20-19	Replacement of TV-36	10/05/20	400,000.00	7,441.08				1,002.41	6,438.67	
21-12	Imp. To Lincoln Blvd.	03/15/21	300,000.00	5,769.27				1,339.91	4,429.36	
21-15	Street Sweeper	04/19/21	240,000.00	2,440.22				501.21	1,939.01	
21-16	Bullet Proof Vests	05/03/21	24,000.00	2,304.23					2,304.23	
21-24A	DPW Loader	10/18/21	140,000.00	269.95					269.95	
21-24B	OEM Generators, Pumps & Radios	10/18/21	20,000.00	82.90			8.84		91.74	
21-24C	Pumper Fire Engine	10/18/21	1,275,000.00	60,100.21	\$ 1,220.00				61,320.21	
21-24D	Police Body Cameras & Plate Reader	10/18/21	350,000.00	20,159.09				12,500.38	7,658.71	
21-24E/22-05	Library HVAC	10/18/21	502,000.00	134,896.33				88,962.24	45,934.09	
21-24F	Library Furnishings	10/18/21	13,000.00	4,335.26					4,335.26	
21-24G	Turf Field ALJ	10/18/21	3,500,000.00	674,187.20				551,897.10	122,290.10	
22-05A	DOT Roads	05/02/22	520,000.00		68,807.48			20,765.90		\$ 48,041.58
22-05C	Replacement of Sidewalks	05/02/22	320,000.00		128,215.47		13,020.77			141,236.24
22-05D	DPW Vehicles & Equipment	05/02/22	200,000.00		10,020.36					10,020.36
22-10B	Acquisition of New Vehicles	08/01/22	110,000.00	5,012.12	104,720.00			109,732.12		
22-10C	Fire Department Equipment	08/01/22	45,000.00		11,107.47			501.20		10,606.27
23-09	2023 DOT Roads-Stonehenge	02/21/23	870,000.00			\$ 870,000.00		545,080.30		324,919.70
			<u>\$ 1,233,521.91</u>	<u>\$ 324,090.78</u>	<u>\$ 870,000.00</u>	<u>\$ 136,308.51</u>	<u>\$ 98,029.61</u>	<u>\$ 1,362,363.21</u>	<u>\$ 492,146.43</u>	<u>\$ 534,824.15</u>
Reference			C	C	Below	C-1	9-C	9-C	C	C, 4-C
Deferred charges - unfunded		4-C			\$ 533,010.00					
Grants		10-C			<u>336,990.00</u>					
		Above			<u>\$ 870,000.00</u>					

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of Bond Anticipation Notes

Year ended December 31, 2023

Ordinance No.	Description	Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increased by notes issued	Decreased by	Balance December 31, 2023	
19-16/21 20-17	Public Safety Building	12/3/2020	8/17/2023	8/16/2024	4.25%	\$ 1,745,000.00	\$ 1,705,000.00	\$ 1,745,000.00	\$ 1,705,000.00	
20-11	2020 Capital Roads	12/3/2020	8/17/2023	8/16/2024	4.25%	675,000.00	635,000.00	675,000.00	635,000.00	
20-12	Improvements to Parks and Recreation	12/3/2020	8/17/2023	8/16/2024	4.25%	175,000.00	158,000.00	175,000.00	158,000.00	
20-15	Gym Floor Replacement	12/3/2020	8/17/2023	8/16/2024	4.25%	360,000.00	348,000.00	360,000.00	348,000.00	
20-15	Fire Department Equipment	12/3/2020	8/17/2023	8/16/2024	4.25%	360,000.00	324,000.00	360,000.00	324,000.00	
20-18	2020 Capital Roads Phase II	12/3/2020	8/17/2023	8/16/2024	4.25%	375,000.00	353,000.00	375,000.00	353,000.00	
20-19	Replacement of TV-36 System	12/3/2020	8/17/2023	8/16/2024	4.25%	360,000.00	340,000.00	360,000.00	340,000.00	
21-12	2021 Capital Road Imp	12/2/2021	8/17/2023	8/16/2024	4.25%	1,040,000.00	978,000.00	1,040,000.00	978,000.00	
21-24 A	DPW Loader	12/2/2021	8/17/2023	8/16/2024	4.25%	130,000.00	125,000.00	130,000.00	125,000.00	
21-24 C	Pumper Fire Engine	12/2/2021	8/17/2023	8/16/2024	4.25%	1,212,980.00	1,142,980.00	1,212,980.00	1,142,980.00	
21-24 D	Police Body Camera's	12/2/2021	8/17/2023	8/16/2024	4.25%	323,800.00	288,800.00	323,800.00	288,800.00	
21-24 E	Library HVAC	12/2/2021	8/17/2023	8/16/2024	4.25%	478,000.00	230,990.00	478,000.00	230,990.00	
21-24 G	Turf Field	12/2/2021	8/17/2023	8/16/2024	4.25%	3,155,000.00	2,468,000.00	3,155,000.00	2,468,000.00	
22-05B	2022 Capital Roads	12/1/2022	8/17/2023	8/16/2024	4.25%	790,475.00	790,475.00	790,475.00	790,475.00	
22-05C	Replacement of Sidewalks	12/1/2022	8/17/2023	8/16/2024	4.25%	304,750.00	304,750.00	304,750.00	304,750.00	
22-05D	DPW Vehicles & Equipment	12/1/2022	8/17/2023	8/16/2024	4.25%	189,575.00	189,575.00	189,575.00	189,575.00	
21-24E	Library HVAC (Amended)	12/1/2022	8/17/2023	8/16/2024	4.25%	542,850.00	542,850.00	542,850.00	542,850.00	
22-10A	Acquisition of New Vehicles	12/1/2022	8/17/2023	8/16/2024	4.25%	104,720.00	104,720.00	104,720.00	104,720.00	
22-10B	Fire Department Equipment	12/1/2022	8/17/2023	8/16/2024	4.25%	42,850.00	42,850.00	42,850.00	42,850.00	
23-09	2023 Capital Roads	8/17/2023	8/17/2023	8/16/2024	4.25%		533,010.00		533,010.00	
						<u>\$ 12,365,000.00</u>	<u>\$ 11,605,000.00</u>	<u>\$ 12,365,000.00</u>	<u>\$ 11,605,000.00</u>	
						Reference	C	1-C, Below	1-C, Below	C
Renewals								\$ 11,071,990.00	\$ 11,071,990.00	
Notes raised in budget						4-C			365,000.00	
Funds held in Trust						2-C			10,000.00	
Notes paid by contribution other						1-C			10,000.00	
Notes paid by contribution from BOE						1-C			687,000.00	
Notes paid by contribution from Library						1-C			221,010.00	
Notes issued						11-C			533,010.00	
						Above			<u>\$ 11,605,000.00</u>	<u>\$ 12,365,000.00</u>

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of General Serial Bonds

Year ended December 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2023		Interest Rate	Balance December 31, 2022	Decreased by Serial Bonds Paid	Balance December 31, 2023
			Date	Amount				
General Improvements	03/15/17	\$ 15,100,000.00	03/15/24	\$ 1,700,000.00	2.00%	\$ 8,500,000.00	\$ 1,700,000.00	\$ 6,800,000.00
			03/15/25	1,700,000.00	2.25%			
			03/15/26	1,700,000.00	3.00%			
			03/15/27	1,700,000.00	3.00%			
General Improvements	10/01/19	11,200,000.00	10/01/24	450,000.00	2.50%	9,850,000.00	450,000.00	9,400,000.00
			10/01/25	450,000.00	2.50%			
			10/01/26	450,000.00	2.50%			
			10/01/27	450,000.00	2.50%			
			10/01/28	800,000.00	2.50%			
			10/01/29	800,000.00	2.50%			
			10/01/30	800,000.00	2.50%			
			10/01/31	800,000.00	2.50%			
			10/01/32	800,000.00	2.50%			
			10/01/33	900,000.00	2.50%			
			10/01/34	900,000.00	2.50%			
			10/01/35	900,000.00	2.50%			
			10/01/36	900,000.00	2.50%			
<u>Reference</u>						C	3-C	C

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of Encumbrances Payable

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 1,330,058.41
Increased by:		
Improvement authorizations charged	6-C	<u>1,362,363.21</u>
		2,692,421.62
Decreased by:		
Encumbrances cancelled	6-C	98,029.61
Cash disbursements	1-C	<u>2,581,891.63</u>
Balance, December 31, 2023	C	<u><u>\$ 12,500.38</u></u>

Township of Clark
County of Union, New Jersey
General Capital Fund

Schedule of State Aid Receivable

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 110,750.00
Increased by grants awarded	6-C	<u>336,990.00</u> 447,740.00
Decreased by:		
Cash received	1-C	<u>363,492.50</u>
Balance, December 31, 2023	C, Below	<u><u>\$ 84,247.50</u></u>
 Analysis of balance		
D.O.T. grant:		
2023 Stonehenge		<u>\$ 84,247.50</u>
	Above	<u><u>\$ 84,247.50</u></u>

Township of Clark
 County of Union, New Jersey
 General Capital Fund

Schedule of Bonds and Notes Authorized but not Issued

Year ended December 31, 2023

Ordinance No.	Improvement Description	Balance December 31, 2022	Increased by 2023 Authorizations	Budget Appropriation	Grant Proceeds	Notes Issued	Balance December 31, 2023
21-24	Multi Purpose	\$ 1,220.00		\$ 1,220.00			
22-05	Multi Purpose	162,950.00			\$ 110,750.00		\$ 52,200.00
23-09	Capital Roads		\$ 533,010.00			\$ 533,010.00	
		<u>\$ 164,170.00</u>	<u>\$ 533,010.00</u>	<u>\$ 1,220.00</u>	<u>\$ 110,750.00</u>	<u>\$ 533,010.00</u>	<u>\$ 52,200.00</u>
Reference		C	4-C	4-C	4-C	7-C	C

Swim Pool Utility Fund

Schedules

Township of Clark
County of Union, New Jersey
Swim Pool Utility Funds

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2023

	<u>Reference</u>	<u>Operating</u>
Balance, December 31, 2022	D	\$ 208,455.23
Increased by receipts:		
Membership fees	D-2	313,775.00
Miscellaneous	D-2	<u>71,442.86</u>
		593,673.09
Decreased by disbursements:		
Budget appropriations	D-3	388,459.62
Prior year appropriation reserves	2-D	<u>18,495.26</u>
Balance, December 31, 2023	D	<u><u>\$ 186,718.21</u></u>

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Operating Fund

Schedule of 2022 Appropriation Reserves

Year ended December 31, 2023

	Reserved at December 31, 2022	Budget After Modification	Expended	Balance Lapsed
Operating:				
Salaries and wages	\$ 20,951.73	\$ 20,951.73		\$ 20,951.73
Other expenses	30,172.71	48,667.97	\$ 18,495.26	30,172.71
Capital Outlay	1,231.01	1,231.01		1,231.01
	<u>\$ 52,355.45</u>	<u>\$ 70,850.71</u>	<u>\$ 18,495.26</u>	<u>\$ 52,355.45</u>
Reference	Below	Below	1-D	D-1

Appropriation Reserves, December 31, 2022	D	\$ 52,355.45
Encumbrances Payable	D	<u>18,495.26</u>
	Above	<u>\$ 70,850.71</u>

Township of Clark
 County of Union, New Jersey
 Swim Pool Utility Capital Fund

Schedule of Fixed Capital

Year ended December 31, 2023

	Balance December 31, 2022	Increased by Capital Outlay	Balance December 31, 2023
Construction	\$ 600,000.00		\$ 600,000.00
Swimming pool improvements	1,313,139.99	\$ 44,524.58	1,357,664.57
	<u>\$ 1,913,139.99</u>	<u>\$ 44,524.58</u>	<u>\$ 1,957,664.57</u>
Reference	D	D-3, 4-D	D

Township of Clark
County of Union, New Jersey
Swim Pool Utility Capital Fund

Schedule of Reserve for Amortization

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 1,913,139.99
Increased by:		
Capital outlay expenditures	D-3, 3-D	<u>44,524.58</u>
Balance, December 31, 2023	D	<u><u>\$ 1,957,664.57</u></u>

Sewer Utility Fund

Schedules

Township of Clark
County of Union, New Jersey
Sewer Utility Fund

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2023

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2022	E, Below	\$ 2,384,650.24	\$ 1,490,890.97
Increased by receipts:			
Budget appropriations transferred from Sewer Utility Operating Fund	5-E		150,000.00
Sewer fees	E-2,2-E	3,906,115.02	
Sewer fee overpayments	4-E	491.37	
Miscellaneous	E-2	85,854.61	
		<u>6,377,111.24</u>	<u>1,640,890.97</u>
Decreased by disbursements:			
Budget appropriations	E-3	3,291,135.98	
Sewer fee overpayments	4-E	1,846.57	
Anticipated as Current Fund revenue	E-1	700,000.00	
		<u>3,992,982.55</u>	<u>-</u>
Balance, December 31, 2023	E, Below	<u>\$ 2,384,128.69</u>	<u>\$ 1,640,890.97</u>
 Analysis of Sewer Utility Capital Cash			
Reserve for capital outlay	Above	<u>\$ 1,640,890.97</u>	<u>\$ 1,490,890.97</u>

Township of Clark
 County of Union, New Jersey
 Sewer Utility Operating Fund

Schedule of Consumer Accounts Receivable

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	E	\$ 135,133.21
Increased by:		
Sewer Rents Levied	Reserved	<u>3,894,601.45</u>
		4,029,734.66
Decreased by:		
Collections	E-2,1-E	<u>3,906,115.02</u>
Balance, December 31, 2023	E	<u><u>\$ 123,619.64</u></u>

Township of Clark
 County of Union, New Jersey
 Sewer Utility Operating Fund

Schedule of 2022 Appropriation Reserves

Year ended December 31, 2023

	Balance December 31, 2022	Budget After Modification	Balance Lapsed
Operating:			
Miscellaneous	\$ 67,261.60	\$ 67,261.60	\$ 67,261.60
Rahway Valley Sewer Authority	89,665.00	89,665.00	89,665.00
	<u>\$ 156,926.60</u>	<u>\$ 156,926.60</u>	<u>\$ 156,926.60</u>
<u>Reference</u>	E		E-1

Schedule 4-E

Township of Clark
County of Union, New Jersey
Sewer Utility Operating Fund

Schedule of Sewer Fee Overpayments

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	E	\$ 1,846.57
Increased by:		
Overpayments received	1-E	<u>491.37</u>
		2,337.94
Decreased by:		
Overpayments refunded	1-E	<u>1,846.57</u>
Balance, December 31, 2023	E	<u><u>\$ 491.37</u></u>

Schedule 5-E

Sewer Utility Capital Fund

Schedule of Reserve for Capital Outlay

Year ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	E	\$ 1,490,890.97
Increased by:		
Budget appropriation	1-E	<u>150,000.00</u>
Balance, December 31, 2023	E	<u><u>\$ 1,640,890.97</u></u>

Township of Clark
County of Union, New Jersey
Sewer Utility Capital Fund

Schedule of Fixed Capital

Year ended December 31, 2023

Reference

Balance, December 31, 2023 and 2022	E	<u>\$ 1,537,628.76</u>
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Township of Clark
County of Union, New Jersey
Sewer Utility Capital Fund

Schedule of Reserve for Amortization

Year ended December 31, 2023

Reference

Balance, December 31, 2023 and 2022

E

\$ 1,537,628.76

Comments Section

Township of Clark
County of Union, New Jersey

Comments

An audit of the financial accounts and transactions of the Township of Clark, County of Union, New Jersey ("Township") for the year ended December 31, 2023, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and Township Council and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Revenues and receipts tested were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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 (N.J.S. 40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

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 \$44,000.00. 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.

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The examination of expenditures revealed no individual payments, contracts or agreements in excess of \$44,000.00 "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles," other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-5.

Township of Clark
County of Union, New Jersey

Comments

Collection of Interest on Delinquent Taxes and Assessments

The governing body, on April 21, 1980 adopted a resolution pursuant to the provisions of R.S. 54:4-67, fixing the rate of delinquent taxes or assessments at 8% per annum on the first \$1,500 and a rate of 18% per annum on any amount in excess of \$1,500. On June 17, 1991, this was amended to add an additional penalty of 6% on delinquent taxes in excess of \$10,000. The Township adopts an annual resolution setting these interest rates.

An examination of the collector's records indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022 *</u>	<u>2021</u>
Tax rate	\$2.18	\$2.12	\$8.89
Apportionment of tax rate:			
Municipal	\$0.62	\$0.56	\$2.35
Library	0.04	0.03	0.13
County	0.43	0.44	1.88
Local school	1.10	1.09	4.53
Net valuation taxable	<u>\$3,244,681,115</u>	<u>\$3,235,243,367</u>	<u>\$767,351,624</u>

* Revaluation

Comparison of Tax Levies and Collections

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>Cash Collections</u>	<u>Percent of Collections</u>
2023	\$ 71,197,970	\$ 70,606,952	99.17%
2022	68,688,491	68,196,845	99.28%
2021	68,591,365	67,970,667	99.10

Township of Clark
County of Union, New Jersey

Comments

Delinquent Taxes and Tax Title Liens

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ -	\$ 449,982	\$ 449,982	0.64%
2022	-	434,851	434,851	0.63%
2021	-	508,765	508,765	0.75%

The last tax sale was held on October 17, 2023 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2023	-0-
2022	-0-
2021	-0-

Property Acquired by Tax Title Lien Liquidation

There is a balance of \$5,900 at December 31, 2023 and \$9,800 at December 31, 2022 and 2021, respectively.

Equalized Valuations – Real Property

<u>Year</u>	<u>Amount</u>
2023	\$ 3,613,517,045
2022	3,351,679,345
2021	2,974,159,364

Township of Clark
County of Union, New Jersey

Comments

**Comparative Schedule of Sewer Utility Levies and Collections
For the Years Ended December 31, 2023, 2022 and 2021**

Year	Levies	Collections *
2023	\$ 3,894,601	\$ 3,906,115
2022	3,735,224	3,740,534
2021	4,240,940	4,224,969

*-Includes collection of prior year receivables.

Comparative Schedule of Fund Balances

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2023	\$ 5,402,078	\$ 2,838,407
	2022	4,461,720	3,025,000
	2021	5,244,465	3,025,000
Swim Pool Utility Operating Fund	2023	147,978	46,715
	2022	137,605	46,715
	2021	90,904	46,715
Sewer Utility Operating Fund	2023	2,298,491	500,000
	2022	2,225,877	500,000
	2021	2,762,248	1,000,000

Township of Clark
County of Union, New Jersey

Comments

Officials in Office and Surety Bonds

Name	Title	Amount of Bond
Sal Bonaccorso	Mayor	*
James Minnitti	Council President	*
Angel Albanese	Council Vice-President	*
Steven M. Hund	Councilman	*
Frank Mazzarella	Councilman	*
Patrick O'Connor	Councilman	*
William Smith	Councilman	*
Brian Toal	Councilman	*
James Ulrich	Business Administrator	*
Loretta Caliguire	Tax Collector	**
Jennifer Kobliska	Chief Financial Officer	**
Carmine Brocato	Director of Public Safety	*
Edith Merkel	Township Clerk	*
Ralph Bernardo	Director of Recreation	*
Mark P. Dugan	Municipal Attorney	*
Michael Ross	Tax Assessor	*
David DeRosa	Health Officer	*
Richard O'Connor	Township Engineer	*
Michael Khoda	Plumbing Inspector	*
Agata Kozak	Court Administrator	*
Antonio Inacio	Judge	\$50,000
Art Figueiredo	Construction Official	*
Pedro Matos	Police Chief	*
Frank Cerasa	Fire Chief	*

* Covered by \$1,000,000 Public Employees Blanket Bond-New Jersey Municipal Self Insurer's Joint Insurance Fund.

** Covered by \$1,000,000 Statutory Bond-Municipal Excess Liability Joint Insurance Fund.

Comments and Recommendations

Township of Clark
Comments and Recommendations
Year ended December 31, 2023

None identified in the 2023 fiscal year.